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INDEPENDENT OFFICES APPROPRIATION BILL, 1955

MARCH 26, 1954.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. PHILLIPS, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H. R. 8583]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies and offices for the fiscal year ending June 30, 1955, and for other purposes.

SCOPE OF THE BILL

The bill provides appropriations for the Executive Office of the President and sundry independent offices estimated for in the 1955 budget, pages 52 to 223, inclusive, the General Services Administration, pages 224 to 253, inclusive, the Housing and Home Finance Agency, pages 254 to 321, inclusive, and supplemental estimates for The White House Office in House Document No. 333 and for the Atomic Energy Commission in House Document No. 348 of the present Congress.

APPROPRIATIONS AND ESTIMATES

The bill does not contain an increase in funds for any item over the amount requested for such purpose in the President's budget. The total estimates considered by the committee have been reduced

by \$363,604,837. This will result in a net decrease in personal services and other items of expense for practically every agency in the bill.

A tabulation is inserted at the end of this report showing comparative statements of appropriations for 1954, the budget estimates for 1955, and the amounts recommended in the bill. A brief summary of the totals is as follows:

The committee considered budget estimates totalling-----	\$5, 929, 723, 600
The committee recommends in the bill-----	\$5, 566, 118, 763
The reduction in the budget estimates is-----	—\$363, 604, 837
The bill is under the 1954 appropriation by-----	—\$375, 168, 400

INTERAGENCY MOTOR VEHICLE POOLS

The committee has considered seriously inserting language in the bill requiring the establishment of interagency motor vehicle pools for use by all agencies of the Government at locations to be established throughout the country. Such a pool has been established at the instance of the President at Denver, Colorado, and has resulted in a reduction of 112 automobiles out of 600 owned by various agencies and departments, and service has been improved.

The committee strongly recommends legislation to provide for the creation of such pools in other cities and has not acted in this bill because it understands that the Committee on Government Operations has under consideration the Jonas bill (H. R. 4457) which will accomplish this and is holding hearings at the present time. The potential savings by creating such a Federal motor vehicle fleet is estimated at \$44,000,000 annually. Transportation service to the Government would be improved and the Government would have a fleet of modern vehicles. Every business of any size follows this practice and the committee is of the opinion it would be a good practice for the Government.

PRINTING AND REPRODUCTION

The committee has eliminated from the bill five percent of all money requested by each agency for printing and reproduction. Such a saving is possible because the Government Printing Office announced that on February 1, 1954, it would decrease its charges to Government agencies by five percent. Since the 1955 budget estimates do not take into consideration this reduction the request in each instance is excessive. The total saving in printing and reproduction costs for the bill resulting from this action is \$227,300.

EXECUTIVE OFFICE OF THE PRESIDENT

The bill contains funds for three items which are closely related to the President and operation of the White House. It includes \$150,000 for compensation of the President; \$1,895,000 to provide the President with staff assistance and other administrative services for the White House Office; and \$366,200 for the care, maintenance and operation of the Executive Mansion and its surrounding grounds. The amount for staff assistance in the White House is the amount requested by the President in the revised estimate contained in House Document No. 333 and is an increase of \$95,000 above the present year. The item for maintenance of the building and grounds is the same amount as

the estimate and is an increase of \$10,016 over 1954. The increase is made necessary because of additional costs arising from the great increase in public visitations to the newly reconstructed White House.

Bureau of the Budget.—The committee has included \$3,382,500 in the bill for this agency, which is \$7,500 less than the budget estimate, and \$29,500 below the 1954 appropriation. The responsibilities connected with this office are immense and the committee is impressed with the forthright manner the director has taken to direct this activity. The fresh look he has given to this key government agency has enabled many functions not essential to its performance to be discontinued. The net result is that each year a smaller appropriation has been requested, and the only reduction made by the committee for 1955 is \$7,500 for printing costs resulting from the lesser charges to the agency by the Public Printer.

Council of Economic Advisers.—The budget estimate for this activity is \$325,000 and the bill contains \$250,000 together with language making the unobligated balance on June 30 of this year available in 1955. This appropriation is \$75,000 less than the budget estimate and \$25,000 less than the amount available in 1954. During the hearings it was testified that the carryover would be from \$40,000 to \$50,000, which will enable the Council to continue at the current annual rate of approximately \$300,000.

National Security Council.—The committee has included \$200,000 in the bill for necessary expenses of the Council, which is a reduction of \$15,000 in the estimate and \$20,000 less than the appropriation for 1954. This is \$45,000 more than was appropriated in 1953 and the committee is confident this amount will be more than sufficient.

Office of Defense Mobilization.—The bill provides \$2,134,000 for this agency in 1955 which is a reduction of \$616,000 from the amount appropriated for this purpose in 1954 and a reduction of \$627,000 in the amount requested for 1955. Of this amount \$2,000,000 is for direction of the defense mobilization program and \$134,000 is to finance the Intergovernmental Radio Advisory Committee.

The committee has given very careful consideration to the estimated requirements for this program, and to the importance of the function that is being performed. It is of the opinion that the essential activities of this office can be streamlined and made more effective.

The reduction made by the committee in the estimate is moderate, but it will encourage steps toward delegating more decisions to the operating level and yet retain policy control in the Director. In practically every division there is evidence of overstaffing, not necessarily for the work they do, but for the work it is necessary for them to do. The review given to tax amortization cases is far more than is necessary and should be reduced drastically. The staff for rent stabilization, price control, and wage stabilization work is engaged in activities which are not vitally essential at this time. The non-military defense activity is overstaffed, and there is a serious question whether it does not duplicate in large part the work of Civil Defense. Perhaps the most pressing work is associated with strategic and critical materials, which is also the largest activity, and in this large area a great deal more authority could be delegated. The excessive number of high grade positions and the amount of secretarial help should be reviewed. These are examples of some of the areas where economies can be made, but it is left for the Director to determine where the funds should be applied.

Emergency fund for the President, National Defense.—The budget estimate for this fund is \$750,000, and the committee recommends an appropriation of \$150,000 together with the reappropriation of not to exceed \$600,000 of the unobligated balance remaining in the fund on June 30, 1954. Allocations that have been made up to December 24, 1953, are as follows: \$5,000 for the President's Advisory Committee on Government Organization, \$85,000 to the National Mediation Board, and \$24,000 to the National Security Training Commission, a total of \$114,000, leaving a balance of \$624,540 for the remainder of the year. In the event there are no major allocations before June 30, and none are in prospect, the committee action will result in a net decrease of \$600,000 in the amount of new appropriations required, and will restore the amount available for obligation in 1955 to the same level as in 1954. This fund is made available to the President for emergency purposes so that he may act quickly in the event of an emergency affecting the national interest, security, or defense which may arise at home or abroad. If it becomes necessary to make material allocations from the fund and it becomes evident an additional amount will be required the committee will consider a supplemental request before adjournment.

Expenses of management improvement.—Congress provided last year for an appropriation of \$500,000 to establish a fund under the control of the President to assist in improving the management of executive agencies and to obtain greater economy and efficiency through the establishment of more efficient business methods in government operations. This fund has been used to make surveys of the organization and management of the Federal Power Commission, Federal Trade Commission, and disposal of surplus real properties as described on page 1100 of the hearings, and further studies of other projects are in prospect. It is unlikely that the entire \$500,000 will be used before June 30, and whatever amount is unobligated at that time is available until expended and will be available in 1955. In addition to such amount the bill provides \$250,000, a reduction of \$150,000 in the estimate, and in total will provide sufficient funds for the coming year. Some of the early studies are just being completed. It is pointed out in the hearings that this item is for detailed operating management studies and is pinpointed toward the purpose of obtaining working efficiency and economy. Before future funds are provided the committee will expect specific evidences of savings resulting from this item, complete justifications of future requirements and the necessity that the fund be continued.

AMERICAN BATTLE MONUMENTS COMMISSION

Salaries and expenses.—The bill includes \$775,000 for this purpose which is the budget estimate and is \$25,000 in excess of the 1954 appropriation. The Commission has responsibility for all permanent United States military cemeteries and memorials located in foreign countries. The estimate provides for general maintenance of eight World War I cemeteries, fourteen World War II cemeteries and the United States National Cemetery at Mexico City. At each cemetery the Commission cares for memorial and service buildings, and in addition eleven World War I memorials outside the cemeteries. The amount provided will enable the Commission to continue to do the same creditable job as in the past.

Construction of memorials and cemeteries.—The committee has recommended the budget estimate of \$3,500,000 for this purpose, which is a reduction of \$5,000,000 under the amount of the appropriation in 1954. In addition to this amount the Commission has \$3,500,000 of prior year funds available which will make a total of \$7,000,000 for the construction program in 1955. This amount will enable the Commission to proceed with its construction program at the same level as in 1954, which is the same rate as the program has been progressing in previous years.

The bill contains language to give the Commission authority to erect a monument in the National Memorial Cemetery of the Pacific. In the Pacific area there are two World War II cemeteries, one in Manila under the Commission's authority, and one in Hawaii under the control of the Army. Normally the Commission does not erect a memorial until the cemetery is turned over to it by the Armed Forces, but in this instance if a memorial is to be constructed at this site it is important to commence the work while the Commission is engaged in its construction program for memorials at the other World War II locations. It is understood that the Army has no objection to the Commission proceeding with such a memorial and the language in the bill will enable the Commission to pursue the matter if it should be determined to locate such a memorial in Hawaii.

ATOMIC ENERGY COMMISSION

Operating Expenses.—The committee has approved an appropriation of \$1,093,462,300 for this purpose, which is a reduction of \$12,187,700 in the revised budget estimate, and an increase of \$201,681,300 over 1954. Since submission of the original budget recommendation in January, the program for this agency has received an extensive review and the revised recommendation submitted to the Congress in House Document No. 348 results in an increased effort in the atomic energy program. It should be made clear that while the revised estimate is a reduction of \$130,850,000 from the previous request, there is an extensive revision in internal program requirements. A total of \$266,150,000 of unobligated balances, collateral funds, and pre-financing requirements to finance contracts beyond fiscal year 1955 is being reallocated to the present expansion program. The following tabulation shows the amounts recommended in the revised estimate for operating costs, the amounts included in the bill, and the reductions made by the committee:

Item	Revised estimate	Recommended	Reduction
Source and fissionable materials.....	\$740, 142, 000	\$740, 042, 000	—\$100, 000
Weapons.....	320, 926, 000	320, 926, 000	-----
Reactor development.....	87, 070, 000	87, 070, 000	-----
Physical research.....	42, 000, 000	38, 900, 000	—3, 100, 000
Biology and medicine.....	27, 000, 000	26, 565, 000	—435, 000
Community.....	—1, 048, 000	—1, 048, 000	-----
Program direction and administration.....	35, 740, 000	32, 970, 300	—2, 769, 700
Security investigations.....	10, 857, 000	10, 857, 000	-----
Total operating costs.....	1, 262, 637, 000	1, 256, 282, 300	—6, 404, 700
Increase in inventories.....	12, 113, 000	6, 330, 000	—5, 783, 000
Working capital.....	—451, 000	—451, 000	-----
Unliquidated obligations.....	—132, 999, 000	—132, 999, 000	-----
Subtotal.....	1, 141, 350, 000	1, 129, 162, 300	—5, 783, 000
Reimbursable obligations.....	837, 000	837, 000	-----
Total obligations.....	1, 142, 187, 000	1, 129, 999, 300	—12, 187, 700

In explanation of the foregoing table, no reduction is recommended for the source and fissionable materials program. The reduction of \$100,000 is made in connection with the operation of cafeterias at various operating plants. The committee definitely feels that cafeteria losses should be eliminated. The Commission has had successful results with cafeteria operations when they have been contracted for with private commercial operators. This has been done at some locations and the practice is to be encouraged. The anticipated loss to the Atomic Energy Commission for cafeterias during 1955 is estimated at \$2,682,107, and the committee suggests that the Commission explore every possibility to put the cafeterias on a sound financial basis.

For several years the amounts allocated for physical research and biology and medicine have been increasing steadily. The committee does not intend to hamper any productive research project as research is one of the most important facets of the atomic energy program. There are, however, always fringe items which research scientists would like to investigate which have a comparatively slight possibility of producing useful results. This is the type of project that should be eliminated in order to accomplish the budget objective. To maintain these two programs at the current level the committee has included \$38,900,000 for physical research and \$26,565,000 for biology and medicine.

The committee recommends a reduction in the estimate for program direction and administration of \$2,769,700, and language which for the first time places a limitation on the total amount that may be used by the Commission for personal services. The limitation on personal services heretofore contained in the bill has applied only to personnel in program direction and administration, and this year it has been extended to include under limitation personal services in all programs. The bill provides \$37,232,900 which will support employment of an average of 6,653 people, a reduction of 380 from the amount requested. This amount is based on a careful analysis of personal services in the different offices, and the entire reduction is made in the estimates for program direction and administration personnel. The amount will not be restrictive, but inasmuch as this appropriation for operating expenses is a lump sum appropriation, the limitation will enable the Congress to have overall control over the cost of personnel to be employed in the administrative program.

In making the reduction of \$5,783,000 in stores inventories from an estimated increase in all inventories of \$12,113,000, the committee desires to call the attention of the Commission to what it considers an excessive amount of inventory. At the end of this fiscal year the balance of current use and stand-by stores is estimated at \$75,489,511, but will actually be more because current use is not as high as anticipated in the 1954 budget. A study of actual issues for the first six months of 1954 indicates that actual issues probably will not exceed \$108,000,000 as compared with estimated issues of \$124,497,052. The current use requirements during 1955 are estimated at \$141,518,000, and the committee feels that an increase in the stores inventory at this time is not justified.

The Commission requested language which would authorize rental of office space in the District of Columbia, which has been denied. If space is required it should be handled and financed by the General

Services Administration. The committee seriously questions any saving that would result from the move into a single building as suggested by the Commission. If a move of this nature is desired the Commission should explore the possibility of rental of facilities or remodeling Government-owned space outside the District of Columbia. The committee has been trying to reduce the vast Government empire and does not approve of any expansion of rental space by the Government such as is proposed.

In connection with its community operations, the committee takes notice of the fact that the budget presentation shows a net decrease of \$1,048,000 for operating costs. It should be pointed out that a substantial part of community costs, particularly overhead and depreciation costs, are not considered in the annual appropriation figures, and that the excess of revenue over cost for this item does not mean the communities are being operated at a profit. For the past several years the committee has encouraged the Commission to dispose of its real estate and community operations at the earliest possible date, and during the hearings it was testified that legislation is being proposed to get the Commission out of this business at Oak Ridge and Hanford. The committee will expect action to be taken in this connection prior to presentation of next year's budget.

Plant and equipment.—For increased plant the committee recommends an appropriation of \$96,498,400, a reduction of \$139,851,600 from the revised budget estimate of \$236,350,000 and a decrease of \$69,501,600 from 1954. In this program, as in operating costs, the revised budget has taken into account major revisions in internal financing requirements for various programs. Actual costs of construction as compared to earlier estimates of cost reveal that large surpluses can be found and reapplied to the increased effort, thus reducing to an extent the need for additional appropriated funds. In the budget revision a total of \$165,707,000 of unobligated balances have been applied to the new program, so the actual increase for plant and equipment for 1955 is \$402,057,000. Actual reductions made by the committee in this program amount to \$17,785,600. The committee has also reduced the amount available for contingencies by \$122,066,000, which amount is not in fact a reduction but a requirement that the agency reduce its margin of excess funds. The following tabulation sets forth the recommendations for this item:

<i>Item</i>	<i>Reduction</i>
New processing plants.....	—\$12, 000, 000
Housing at Los Alamos.....	—384, 000
Miscellaneous budget items.....	—5, 000, 000
Automobiles and trucks.....	—401, 600
Contingencies and underruns on construction projects.....	—122, 066, 000
	<hr/> —139, 851, 600

The sum set forth in the foregoing table for new processing plants of \$12,000,000 is in the opinion of the committee not necessary. The estimates include funds for a number of processing plants to be constructed by the Commission in the event private enterprise does not construct required facilities. The Commission owns one plant at the present time and the committee is confident that in a program developing as rapidly as atomic energy this area of the program can be developed with private funds. This supports the belief of the committee that it is undesirable to encourage Government ownership and opera-

tion of any facilities which can be built and operated by private capital.

The committee has reduced the estimate for housing at Los Alamos from \$1,550,000 to \$1,166,000, a reduction of \$384,000. The estimated cost per unit for housing at this location ranges from \$14,688 to \$18,144, when good three-bedroom houses are advertised for sale in Santa Fe for \$10,500 and in Albuquerque from \$7,850 to \$12,750. There seems to be no valid reason why housing at Los Alamos should cost so much more than that constructed in the surrounding communities, and the committee has reduced the estimate by \$4,000 for each of the 96 houses proposed for construction in 1955, and directs the AEC not to exceed this average cost of construction per unit.

The reduction of \$5,000,000 in miscellaneous budget items is a minimum amount that can be reduced. Generally, these projects are for (1) improvements, alterations, and additions to existing facilities, (2) miscellaneous or minor new construction, and (3) equipment. A substantial portion of the items or improvements cannot be specifically identified and the estimate is based on experience during prior fiscal years to determine the amount of the present request. A reduction of \$401,600 is made in the request for funds to purchase automobiles and trucks. The estimate provided for the purchase of 402 passenger motor vehicles at a net cost of \$557,125 and the purchase of 756 trucks of which 190 are in addition to the present fleet. The Atomic Energy Commission ranks fourth among civilian agencies of Government in number of vehicles operated, and an analysis of the present fleet indicates that a reduction of 80 vehicles can be made in the overall program and 64 vehicles at Santa Fe.

The committee approves the expansion program as presented in the revised estimates, but instead of appropriating the full amount of \$236,350,000 the committee has made a reduction of \$122,066,000 in the request for additional appropriations, and has provided that the Commission shall apply a larger proportion of currently available funds toward this construction. In suggesting that the Commission reduce the amounts available for contingencies and apply these amounts to the present estimate the committee refers to the following table showing the source of these contingencies:

Table showing amounts reserved for contingencies in major AEC construction programs

(000's omitted)

	Oak Ridge Expansion	Paducah Expansion	Savannah River	Ports- mouth
Cost estimates contained in 1955 budget.....	\$435, 500	\$433, 600	\$1, 500, 000	\$1, 152, 500
Cost Estimate Reports on Dec. 31, 1953:				
Contractors current estimate.....	\$317, 416	\$379, 618	\$1, 450, 748	\$1, 036, 875
Contingencies.....	72, 251	52, 360	42, 218	99, 533
Underrun from approved estimate.....	45, 833	1, 622	7, 034	16, 042
Total.....	435, 500	433, 600	1, 500, 000	1, 152, 500
Cost estimates contained in 1955 revised budget:				
Total of contingencies and underruns.....	\$118, 084	\$53, 982	\$49, 252	\$115, 625
Amount released for expansion program.....	—85, 000	—25, 000	—84, 000	0
Amount of contingency available for original projects.....	33, 084	28, 982	—34, 748	115, 625

In the above table the significant items are the amounts inserted in the original cost estimates for "contingencies" by the Commission, and amounts contractors have already returned as shown in the line item "underrun from approved estimate." It is highly unlikely that any contractor will release any amount until he is certain that it will not be required. The Commission in its revised estimates has already released for the expansion program substantial amounts, and the committee is of the opinion that the remainder of the contingencies as shown in the bottom line of the table amounting to \$33,084,000 at Oak Ridge and \$28,982,000 at Paducah can also be released. The committee has also applied to the new program \$60,000,000 of the \$115,625,000 of contingencies and underruns at Portsmouth.

The total reductions set forth pertain entirely to the unobligated balance of prior year appropriations and are reductions in the amount of "contingencies" which have been included in estimated construction costs for the various plants now being built. In recent years AEC has engaged in a practice of overestimating construction costs for budget request purposes and the committee believes that unchecked overestimating is undesirable from both the point of view of economy and of congressional control. The committee points out that this reduction will not require the elimination of any project for which AEC has requested funds.

An indication of AEC's practice of overestimating is apparent in its experience with building the following gaseous diffusion plants:

1. K-29 (Oak Ridge)—completed with an underrun of 40 percent amounting to \$28,600,000.

2. K-31 (Oak Ridge)—completed with an underrun of 40 percent amounting to \$65,700,000.

3. Oak Ridge expansion—not yet completed, but \$25,500,000 was released in fiscal year 1954, \$85,000,000 was released in fiscal year 1955, and \$33,000,000 is still earmarked "contingencies."

4. Paducah expansion—not yet completed, but \$25,500,000 was released in fiscal year 1954, \$25,000,000 was released in fiscal year 1955, and \$29,000,000 is still earmarked "contingencies."

On February 1, 1954, AEC had contingencies totaling approximately \$190,000,000 included in the cost estimates for its four largest uncompleted projects: namely, Portsmouth, Savannah River, the Oak Ridge expansion, and the Paducah expansion. These contingencies were in addition to the contractors' current cost estimates for completing the construction of these four projects.

An indication that the contractors' current cost estimates are excessive is apparent in AEC's experience at Savannah River. On December 31, 1953, the cost estimate for this project was \$1,500,000,000, a contractor's current cost estimate of \$1,450,748,000 plus total contingencies and underrun of \$49,252,000. The Atomic Energy Commission, when preparing its revised budget request, released \$84,000,000 from this cost estimate in order to construct additional facilities. Obviously AEC considered the contractor's cost estimates of \$1,450,748,000 to be excessive.

The largest contingency is for the Portsmouth project. The original cost estimate was \$1,152,500,000, a cost estimate of \$1,052,917,000 plus a contingency of \$99,583,000. Several months later, on December 31, 1953, the several contractors had reduced their cost estimates over \$16,000,000 indicating the beginning of another

substantial underrun. However, AEC has not reduced its over-all cost estimate but has merely added the \$16,042,000 to contingencies. On December 31, 1953, the cost estimate was still \$1,152,500,000, a current cost estimate of \$1,036,875,000 plus a contingency of \$115,625,000 which the committee has reduced to \$55,625,000.

During the hearings the Commission asked that consideration be given to removing the limitation requiring the Commission to have funds available to complete a project before construction is started. Congress included this limitation in the language of the Supplemental Appropriation Act, 1952, when the major expansion program at Savannah River was initiated. For several years prior to that time the committee had been critical of the accuracy of estimates of cost made by the Commission in connection with its construction program and had made every effort to have the Commission place as much of its construction program as possible open for competitive bids. The provision carried in the bill is intended to make the Commission make firm plans and careful cost estimates in its construction program. The committee does not want a recurrence of the situation on the Savannah River plant where it was first testified that it would cost in the neighborhood of \$600,000,000, but at the time an appropriation was requested the estimate had increased to \$1,200,000,000. While the "funds to complete" provision may require the Commission to be certain that it has sufficient funds to complete a project before it is initiated, it requires the Commission to take steps to plan a project on a realistic basis and places a ceiling on the total obligation of the Government. The committee recommends a minor change in the language in the bill for this provision which will permit some flexibility and give the Commission authority to substitute one construction project for another within the limits of cost included in the budget.

CIVIL SERVICE COMMISSION

Salaries and expenses.—The committee recommends \$15,575,600 for salaries and expenses of this commission which is a reduction of \$114,400 in the budget estimate, and is \$1,424,400 less than the 1954 appropriation. The estimate for this agency has been reduced considerably from last year and the additional committee reduction is made in the estimated amounts required for printing and reproduction and penalty mail. Since the original budget requirements for the commission were prepared the Public Printer has reduced costs to the agencies for printing and reproduction, and the estimated penalty mail costs based on experience do not appear to be as high as originally anticipated.

Investigations of United States citizens for employment by international organizations.—The committee recommends an appropriation of \$400,000 for this item, a reduction of \$500,000 in the estimate submitted and \$800,000 less than the amount appropriated in 1954. The Civil Service Commission and the Federal Bureau of Investigation conduct investigations of United States citizens employed or being considered for employment in international organizations in which the United States is a member. The Commission has no control over the number of investigations requested but this should not be a recurring item to the same extent as 1954.

Annuities, Panama Canal construction employees and Lighthouse Service widows.—The bill includes \$2,354,000 for this purpose which is \$146,000 less than the 1954 appropriation and is the same amount as the budget estimate. The reduction is made possible due to a decrease in the number of annuitants that are expected to be on the roll.

Payment to civil-service retirement and disability fund for increases in annuities provided by the Act of July 16, 1952.—Under the provisions of Public Law 555, of the 82d Congress, increased annuities are provided to certain retired employees in the low income brackets, and the Act provides that the increases shall terminate on June 30, 1954, unless an appropriation is made to the "civil-service retirement and disability fund" to cover the cost of increases in such annuities for the fiscal year 1955. The budget contains an estimate of \$29,623,000 for such purpose, and the committee approves the full amount.

FEDERAL COMMUNICATIONS COMMISSION

The committee recommends an appropriation of \$6,544,400 together with not to exceed \$150,000 of the unobligated balance of prior year funds for salaries and expenses of this Commission, making a total of \$6,694,400 available during 1955. This total is \$950,000 less than the amount included in the budget and \$555,600 less than will be used in 1954. The Congress in the law last year appropriated additional funds to this Commission and earmarked \$1,018,496 for application processing and hearings in connection with issuance and renewal of television licenses, and \$809,271 for work in connection with the issuance of licenses for safety and special radio services. The Commission has changed its procedures with resultant marked reduction in time to process licenses and has substantially eliminated the backlog in safety and special radio services where there was a backlog last year of 20,000 applications waiting to be processed. In television work the Commission reported that it expects by the end of the current fiscal year that they will have disposed of all non-hearing cases and that where contests are involved and hearings are necessary they will be in some stage of the hearing process.

The amount requested for a frequency usage monitoring program in the amount of \$950,000 did not seem to the committee to be justified and the committee has specifically denied all funds requested for this purpose. The Federal Communications Commission is already engaged in extensive monitoring activities as are the other departments who use radio communications, and if an effort is made to utilize the information already available the primary objectives sought by the new program can be achieved without additional appropriations.

FEDERAL POWER COMMISSION

The committee has approved the budget estimate of \$4,150,000 for this commission which is a reduction of \$150,000 below the amount appropriated for this purpose in 1954. During the hearings the committee received the impression that a backlog of work was beginning to develop. This should be watched very carefully and every effort made to keep work on a current basis. The committee understands that a study is underway, financed from funds available to the Presi-

dent for Expenses of Management Improvement, and it is expected that the results of this study will enable the Commission to know what steps are necessary to improve efficiency.

FEDERAL TRADE COMMISSION

The bill contains \$4,030,700 for this commission, which is a reduction of \$169,300 in the estimate and \$23,100 less than was appropriated for this purpose in 1954. An increase of \$146,200 for the Bureau of Industrial Economics, \$14,600 for an economic and marketing advisor at grade GS-16, and \$8,500 for expenses of travel have been specifically denied.

The committee is not convinced that there is need for additional statistics in connection with the economic and financial reporting program. There is no limit to the amount that could be spent for statistical studies of this nature, and this agency is spending \$482,700 for this Bureau in 1954. The committee does not believe that an additional amount should be appropriated for such purpose at this time, and in continuing the program at its present level is certain that this amount will be sufficient. During hearings on the bill it was testified that the studies made by the Bureau of Industrial Economics started out as a service to all Government agencies, but that today demands for data made by the business community far exceed those made by Government agencies. It was stated that the reports contain valuable information desired by banking, industrial, and business executives, which information is not available and can not be compiled by business services, and that in all probability if the reports were put on a subscription basis there might very well be more subscribers than at the present time. If this is true and the reports are as valuable as represented, the committee suggests that the Commission might consider taking such steps as are necessary to place the reports on a subscription basis and charging a fee for the service established at a price not less than the break-even cost.

GENERAL ACCOUNTING OFFICE

The bill contains \$31,981,000 for necessary expenses of this Office, which is a reduction of \$219,000 in the budget estimate and is the same amount as was appropriated in the bill for this purpose in 1954. In the Supplemental Appropriation Act, 1954, an additional \$300,000 of the unobligated balances of funds from the previous year was made available in connection with security investigations. This additional amount will not be available in 1955 and the committee is certain the reorganization of this agency already instituted by the Comptroller General on his own initiative will have a tendency to save operating costs and the reduction of \$219,000 in the estimate can therefore be made without affecting its efficiency and value. There are three areas in which less money will be required than was originally estimated, they are travel, security investigations, and regular expenses not necessary because of savings already put into effect. The committee believes that the nominal reduction can be absorbed without difficulty.

GENERAL SERVICES ADMINISTRATION

Operating expenses, public buildings service.—Funds are included in the bill in the amount of \$94,460,000 for this item, a net reduction of \$3,600,000 in the estimate and a transfer of \$17,340,000 to the item for emergency operating expenses. In previous years the appropriation for emergency operating expenses has been set forth as a separate appropriation and the committee has restored the language for this item.

The committee has reduced the estimate by \$5,000,000 for overhead costs which are excessive. It is suggested that \$3,000,000 of this amount be used for additional repairs and improvements to government-owned buildings in the District of Columbia. During the hearings the General Services Administration stated that its budget could be reduced by \$1,600,000 because 13 National Industrial Reserve installations now in the custody of the General Services Administration would be transferred to the custody of the Department of Defense prior to June 30, and the Department of Defense has stated that most of this maintenance cost will be absorbed in its overall budget.

Emergency operating expenses.—There is included in the bill \$15,647,000 for this purpose which is a reduction of \$2,000,000 from the amount included in the budget and \$4,553,000 below the amount included in the bill last year. This appropriation item was established in 1951 to provide funds for additional space required in connection with the emergency then facing the country. Many of the contracts for building space made at that time are still in effect, but the amount in 1956 can be reduced substantially.

Repair, improvement, and equipment of federally owned buildings outside the District of Columbia.—The committee recommends the budget estimate of \$12,000,000 for this purpose, a reduction of \$2,000,000 below the amount available in 1954. This appropriation is available for repairs, renovations, and improvements to more than 5,400 Federally-owned buildings outside the District of Columbia acquired at a cost of approximately \$1,000,000,000 and containing nearly 104,000,000 gross square feet of floor space. Funds for post-office work-space improvements which were financed from this appropriation in the amount of \$1,000,000 in 1954, will be the budgetary responsibility of the Post Office Department in 1955.

Operating expenses, Federal Supply Service.—The bill contains \$2,600,000 for this purpose which is the same amount as the budget estimate and a decrease of \$5,000 from 1954. This appropriation provides for basic operations of the Federal Supply System which includes personal property management practices, contracting for supplies, establishment of supply standards, inspection of commodities delivered to the Federal Supply System, and overall supply management. The amount provided in the bill will continue the present level of operation for this activity.

Expenses, general supply fund.—The bill contains \$11,066,800 for this purpose, a reduction of \$2,033,200 in the budget estimate. Of this reduction \$18,200 is due to denial of funds for 13 automobiles and \$15,000 is the result of the decrease in costs for printing and reproduction. The General Services Administration justifications state

that it expects to do approximately \$142,500,000 in sales in 1955. However, based on the first six months of fiscal year 1954 the sales for the year will only be approximately \$105,000,000. Unless the General Services Administration and the Department of Defense enter into an agreement whereby General Services Administration procures many more of the common use items used by such Department, it appears that business will not exceed the 1954 level. This is a field in which the two agencies can very well cooperate and steps should be taken to reach an understanding as this condition has existed for several years. The reduction of \$2,000,000 is based on an estimate that it costs approximately \$500,000 to do \$7,000,000 in sales. Since it appears that sales will be approximately \$35,000,000 less than estimated, it is believed that the expenses to be incurred will be approximately \$2,000,000 less than the amount requested.

Operating expenses, National Archives and Records Service.—The committee has recommended an appropriation in the amount of the budget estimate of \$5,000,000 for this purpose which is a reduction of \$625,000 from the 1954 appropriation. This appropriation provides for basic operations dealing primarily with the administration and custody of permanent records of the Government, and the reduction of \$625,000 below the amount available in 1954 should be made in activities other than records disposal, which results in a net saving to the Government.

Administrative operations.—The bill provides \$3,789,500 for this purpose. The committee has transferred back \$307,000 of the estimate to the item for emergency operating expenses and has reduced the estimate for administrative operations by \$3,500 for costs of printing and reproduction. This compares with an appropriation in 1954 of \$4,200,000, and the amount provided will be sufficient to permit operation on an efficient basis in 1955.

Strategic and critical materials.—The budget estimates provide no additional funds for this purpose, but there is a prior year balance available of \$225,000,000 together with reimbursements from non-Federal sources of \$76,088,500 making a total of \$301,088,500 available in 1955 for this purpose. Funds in this item are available until expended, and in addition to appropriations the General Services Administration, as the custodian of the strategic and critical materials stockpiling program, together with other agencies, is authorized to use borrowing authority established under section 304 (b) of the Defense Production Act of 1950, as amended, up to the maximum amount authorized of \$2,100,000,000.

The committee has included language in the bill which places a limitation on the maximum amount available for personal services of \$7,000,000, a reduction of \$409,850 in the amount requested. There is evidence of considerable overstaffing in this program, which is not subject to close supervision, and the amount of effort engaged in transferring stockpile materials in and out of storage is considered to be excessive. The amount of the limitation will provide personal services adequate to meet the real needs of this program.

The bill also contains a provision that no amount of the money provided may be used to construct warehouses or tank storage facilities. This language is included in the bill to prevent the con-

struction of warehouses at a time when increased space in commercial warehouses is becoming available, and every effort should be made to utilize such space.

In this program constant coordination is maintained with the Department of Defense in order that all existing military space in the proper areas can be fully utilized. In recent years little military space has been available for this program due to the use of such space for defense items. It is possible that in the next year space in excess of military needs may develop and it is suggested that the Department of Defense inform the General Services Administration what facilities they plan to vacate so that such space may possibly be used to store strategic materials required for defense.

Strategic and critical materials (liquidation of contract authorization).—The bill provides that \$27,600,000 of funds previously appropriated under the title "strategic and critical materials" shall be used to liquidate contract authorization available since the inception of this program. Of a total of \$920,000,000 in contract authority originally available, \$865,000,000 has been liquidated by appropriations. In 1955 it is estimated that \$27,600,000 will be liquidated leaving a balance of \$27,400,000 for liquidation in future years.

Hospital facilities in the District of Columbia (liquidation of contract authorization).—The bill provides for an appropriation of \$4,500,000 to liquidate contract authorization provided under the head "Hospital Center, District of Columbia", in the Independent Offices Appropriation Act of 1949. The total amount of contracts authorized is \$19,500,000 and it is proposed to liquidate \$4,500,000 this year, leaving unfinanced contract authorization of \$15,000,000. Ground is being prepared for the hospital now and as construction is started appropriations will be required to finance construction.

Buildings management fund.—The committee has denied additional working capital for this fund. There is \$3,000,000 available now and the Budget proposes to increase this amount to \$6,000,000. The committee is of the opinion that the additional working capital is not required and that the General Services Administration can operate satisfactorily through additional advance billings and more vigorous collection efforts.

HOUSING AND HOME FINANCE AGENCY

OFFICE OF THE ADMINISTRATOR

The Housing and Home Finance Agency administers the major housing activities of the Federal Government through the Office of the Administrator and four main constituent agencies, the Federal National Mortgage Association, the Home Loan Bank Board, including the Federal Savings and Loan Insurance Corporation, the Federal Housing Administration, and the Public Housing Administration.

Salaries and expenses.—The bill provides an appropriation of \$2,668,500 for this purpose which is a decrease of \$231,500 in the estimate and \$547,050 less than the appropriation in 1954. The committee has reduced the overall operations of this office by \$225,260 which is a reduction of 35 positions and has reduced printing and reproduction and other object costs by a total of \$6,240.

Capital grants for slum clearance and urban redevelopment.—The bill contains \$39,000,000 which is the amount of the budget request and is an increase of \$19,000,000 over 1954. The purpose of this appropriation is to make grants for slum clearance and community redevelopment. The amount contained herein will complete the grants for an estimated 24 redevelopment projects, and provide partial payments on some 60 additional projects.

Under the provisions of title I of the Housing Act of 1949, the Administrator is authorized to make capital grants to local public agencies to enable such agencies to make land available for redevelopment of land at its fair value. Section 110 (c) (II) of that Act defines a project to mean an area which is to be developed or redeveloped "for predominately residential uses." It is understood that administratively this broad term has been considered as not necessarily meaning that the residential use shall constitute any given percentage of the physical area or construction of a project for residential purposes, but can mean that a project could be 30 percent for park purposes, 30 percent for commercial uses, and 40 percent for residential uses. Thus, only 40 percent of the project would be for residential purposes but probably would be considered as constituting "predominately residential use" of the project within the meaning of the Act.

One particular abuse of this program has come to the committee's attention, the Columbus Circle project in New York City. The committee believes grants under this program should be made for projects clearly for predominately residential uses and is not in agreement with whatever interpretation has been made which will permit a grant for this type of project. The committee believes the capital grant and slum clearance program can be most constructive but can see no quicker way for the program to be destroyed than the way this project has tentatively qualified. The committee has included language in the bill which will correct without any question any situation of this nature that may arise in the future, and directs the agency and the General Accounting Office to take whatever steps are necessary to prevent the use of any Federal funds to finance either directly or indirectly a coliseum or other similar project, where housing and slum clearance features are of such secondary importance. The estimated Federal grant for this project is approximately \$6,000,000 in cash and the City's share is one-third in the form of cash and public facilities.

Public Housing Administration.—For administrative expenses for this constituent agency of the Housing and Home Finance Agency the bill contains \$6,950,000, the amount of the appropriation for 1954 and a reduction of \$950,000 in the estimate for 1955. While some parts of this program are increasing, namely, the number of units receiving annual contributions contracts, the Administration will have no difficulty operating with the amount provided. No reduction has been made in the amount requested for the Office of the Commissioner.

Annual contributions.—The bill contains \$63,950,000 for payments under annual contributions contracts in 1955, which is \$5,150,000 less than the amount of the estimate and is an increase of \$20,650,000 over the total amount appropriated in 1954. The amount of the appropriation required each year for payments under these annual contributions is steadily increasing and will run for a period of 40 years. The only way to make a saving in this item is for the Public

Housing Administration to do its utmost to encourage economies by local housing authorities, and in its review of their budgets compel them to operate economically and reduce their budgets and so in some measure reduce the amount of annual contribution required.

The bill contains language to permit for construction in fiscal year 1955 twenty thousand dwelling units. This number of starts is to be limited to those local housing authorities which have binding contracts for construction of housing units. The number of such units is estimated at approximately 35,000 and it is recommended that the twenty thousand units be the maximum number allowed to go into construction in 1955 and that the remaining units with firm contracts go into construction next year and that this be the end of the program. Language included in the bill last year under clause (2) of the last proviso of this section, prohibiting the agency from entering into any kind of preliminary or other future commitment for housing has not been included in the bill this year as it is permanent in effect, and the proposal in the Budget to repeal the section is denied. The only justification for this program is in connection with slum clearance programs and it is upon this consideration that the committee makes its recommendation for twenty thousand units this year.

Federal National Mortgage Association.—The purpose of this Association is to provide a secondary mortgage market for home mortgages insured by the Federal Housing Administration or guaranteed by the Veterans Administration. In the corporation section of the bill there is contained a limitation authorizing use of \$3,238,000 of funds for administrative expenses which is a reduction of \$12,000 from the appropriation in 1954 and is \$112,000 less than the estimate for 1955. The committee has allowed the same amount as was appropriated for 1954 less \$12,000 resulting from decreased costs for printing and reproduction.

During hearings the committee inquired as to whether a person owing a mortgage and wanting to purchase it would be permitted to receive the same discount on his mortgage as a financial institution desiring to purchase such a mortgage for its portfolio. It is understood that very few individuals would be able or would desire to take advantage of such an opportunity but the committee is of the opinion that such an opportunity should exist if a veteran or other mortgagor should desire to do so, and language has been included in the bill which will so provide.

Housing loans to educational institutions.—The bill contains \$375,000 for administrative expenses of this program which is a decrease of \$150,625 from the amount available in 1954 and is the amount of the budget estimate. This item authorizes use of funds for administrative expenses relating to loans to institutions of higher learning for construction of student and faculty housing. The total authorization of Treasury borrowing for this item is \$300,000,000 and it has been limited to \$100,000,000 at the close of fiscal year 1953, the cumulative total will be \$150,000,000 by the end of 1954, and it is expected that the total by the end of fiscal year 1955 will be \$175,000,000.

Revolving fund, liquidating programs.—The committee report accompanying the bill last year authorized the Administrator to establish under his jurisdiction a separate section to handle liquidation activities for programs in liquidation. The language proposed in the budget this year establishes a revolving fund for such purpose. The

committee approves of this step in the right direction and encourages the administrator to take whatever steps are necessary to liquidate those programs which are no longer necessary. The budget language proposes that six programs which are in a stage of liquidation be consolidated and administered by this single revolving fund. The programs included in the budget recommendation are as follows: (1) The Alaska Housing Program established by Public Law 52, Eighty-first Congress, as amended by Public Law 531 of the Eighty-second Congress, (2) Loans for prefabricated housing which was transferred to the Housing and Home Finance Agency by Reorganization Plan No. 23 of 1950, from the Reconstruction Finance Corporation, (3) War public works authorized by the Lanham Act before and during World War II to serve defense needs, (4) Defense community facilities authorized by Public Law 139 of the Eighty-second Congress, (5) the first advance planning for non-Federal public works authorized by Title 5 of the War Mobilization and Reconversion Act of 1944, and (6) the second advance planning authorized by Public Law 352 of the Eighty-first Congress to make additional advances on similar public works.

In addition to these programs the committee has included language to provide for the transfer of the Public War Housing program authorized under the provisions of the Lanham Act before and during World War II, the Subsistence Homestead and Greentowns program operated under section 3 of the Act of June 29, 1936, and the Veteran's Re-use Housing Program undertaken under title 5 of the Lanham Act, from the Public Housing Administration to this revolving fund. Included in the transfer of the public war housing is the defense housing program authorized by the Defense Housing and Community Facilities and Services Act of 1951 but it is understood that this program is not ready for liquidation and will be continued to be managed under the fund until the earliest date it is ready for liquidation. In making these transfers the committee again emphasizes the fact that it believes that liquidation can be accomplished more efficiently by the creation of a liquidation section which has that as its primary purpose.

The amounts for administrative expenses for the various programs have been adjusted to provide the revolving fund with adequate administrative and non-administrative funds to administer these activities. In this connection a limitation of \$3,940,000 has been placed on administrative costs and \$20,000,000 on the total available for non-administrative purposes.

Home Loan Bank Board.—The bill provides for \$775,000 for administrative expenses of the Board which is the same amount as is available in 1954 and is a decrease of \$12,000 in the budget estimate. The requested increase to \$2,395,000 for non-administrative expenses has been approved and the increase will permit additional examination of Federal and State chartered institutions.

Federal Savings and Loan Insurance Corporation.—The committee has allowed the same amount for this activity as in 1954 which is also the amount of the budget estimate. This Corporation operates under the supervision and direction of the Home Loan Bank Board and the costs of examinations are paid by the institutions examined. The purpose of this Corporation is to prevent defaults of insured institutions and it conducts periodic examinations of the financial soundness of its members.

Federal Housing Administration.—The bill contains authorization for use of \$5,000,000 of funds of the agency for administrative expenses which is a reduction of \$350,000 in the budget estimate and a decrease of \$322,800 in the authorization for 1954. In 1954 this administration was threatened with the possibility of a mild backlog of work and was given an increased authorization. The backlog has now been eliminated and the amount provided while less than 1954 is a substantial increase over 1953 and will enable the administration to carry out its program at a satisfactory level of operation.

INDIAN CLAIMS COMMISSION

The committee has approved the amount of \$117,000 requested in the budget for this purpose for the fiscal year 1955 which is also approximately the amount available in 1954. The claims filed by the end of the filing period, August 13, 1951, were 852. The amounts specifically claimed, or estimated where possible in claims not stating the amount, approximate \$3,016,377,000 exclusive of interest. This figure applies to 244 of the 852 claims filed. On December 1, 1953, the Commission had completed action on 75 claims, and the Commission will press forward with its work as rapidly as possible. No estimate can be given at this time as to how long it will take to dispose of all the claims as they are extremely involved and progress is largely dependent on the activity and ability of the Department of Justice to assign personnel to this work.

INTERSTATE COMMERCE COMMISSION

The committee considered language proposed in the budget estimates for this agency which would consolidate into one appropriation the items heretofore carried as separate appropriations for "general expenses", "railroad safety", and "locomotive inspection", and does not agree that railroad safety and locomotive inspection work should be consolidated with the other activities of the agency. It has accordingly included language in the bill which will continue the appropriation for general expenses as a separate item, and has consolidated railroad safety and locomotive inspection into a second item. The item for defense transport activities is included in the bill as a third appropriation under this head instead of as a separate item.

General expenses.—The bill contains \$9,816,000 for this purpose which compares with an appropriation of \$9,600,000 in 1954 and \$9,876,000 in the budget estimates for 1955. The committee has allowed the full amount of the budget estimate of \$11,500,000 for the three activities proposed for consolidation but in separating them has allocated to railroad safety and locomotive inspection the same amount as in 1954 which is an increase over the budget instead of allocating all of the increased estimate to general expenses. The recommended appropriation for general expenses is an increase of \$216,000 over 1954 and will enable the Commission to finance on a full year basis the additional staff employed in 1954. There are certain areas in the Commission, however, that should be reduced, such as the staff of the Law Library which is excessive, the number of personnel engaged in compiling and analyzing basic statistical information in the Bureau of Transport Economics and Statistics, and field offices, which should be consolidated.

The committee has been concerned for a number of years about the backlog which has been continuing in the Section of Complaints of the Bureau of Motor Carriers with little or no effort by the Commission to correct the situation. In each of the fiscal years 1951, 1952, 1953, and in 1954 the committee has called attention to the unhealthy condition and during that period has earmarked a total of \$659,326 in additional funds for this specific purpose. During the hearings the Commission was asked what was being done to bring this work up to date and eliminate the backlog, and the record is clear that none of the additional amounts designated for such purpose were used by the Commission as earmarked in the committee reports. The committee has found it necessary to earmark in the bill this year \$1,100,000 for the Section of Complaints of the Bureau of Motor Carriers, which is an increase of \$181,869 allocated by the Commission for this work in 1954 and an increase of \$145,676 over the amount allocated by the Commission for 1955 as presented in its justification. This will enable the Commission to begin to eliminate this backlog of applications which has grown at a greater rate than was anticipated.

Defense transport activities.—The committee has included in the bill language under this agency to carry out activities assigned to the Commissioner who is responsible for the supervision of the Bureau of Service under the Defense Production Act of 1950, as amended. The committee recommends an appropriation of \$170,000 for this activity which is a reduction of \$255,000 from the amount available in 1954 and \$105,000 less than the budget estimate. This activity started in 1950 when the country was facing a new emergency and it appeared that there would be acute shortages of freight equipment and it would be necessary for the Government to exercise control and make cars available where needed. The authority for this activity will expire June 30, 1955, and the amount provided will enable the Commissioner to continue the most important and essential work and liquidate the activity by that date.

Railroad safety and locomotive inspection.—The bill contains language which consolidates these items which heretofore have been carried as two separate appropriations. The committee has included in the bill \$1,684,000 for this purpose which is the same as the total amount appropriated in 1954 for the two separate activities and is an increase of \$60,000 over the amount included for these activities in the budget estimates for 1955. The committee believes that in consolidating the two appropriations into one item it will be possible to obtain more efficient performance in connection with this most important safety and inspection work, as the inspection staff can be consolidated administratively and one inspector can examine for both types of activity at the same time. The committee directs that no reduction shall be made in the number of inspectors and the new and abbreviated language is to enable the Commission to carry out the same activities for this item as have heretofore been financed from the two individual appropriations. Activities of the Bureau of Service are specifically excluded from this appropriation as are all other activities which would in any way lessen the amount of railroad inspection work as compared with 1954. The consolidation will undoubtedly increase the amount of inspection that can be done with the same amount of money.

INTERSTATE COMMISSION ON THE POTOMAC RIVER BASIN

The bill includes \$5,000 for the Federal contribution to the Interstate Commission on the Potomac River Basin. This Commission was created by compact among the four states in the Basin, together with the District of Columbia and the Federal government. The total budget for this interstate agency for 1955 is \$35,000, which is the same level as in 1954. The affairs of the Commission are administered by a staff of five employees headed by a Director at a salary of \$9,360. Its purpose is to plan and promote cooperation between the parties to the compact and try to correct the serious pollution problem in the Potomac River which has existed to the detriment of all the parties.

Considerable progress has been made with sewage abatement, industrial waste, and acid mine drainage work, and it is believed that a method has been developed for preventing acid formation that will be of real value in reducing acid drainage in coal mining areas.

NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

The National Advisory Committee for Aeronautics is charged with the responsibility for Aeronautical research directed toward obtaining basic scientific and engineering data for continued improvement in the design of military aircraft, missiles, and their power plants. The agency has its central office in Washington and research facilities at Langley Field, Virginia, Moffett Field, California, and the Lewis Laboratory at Cleveland, Ohio.

Salaries and expenses.—The committee recommends an appropriation for this agency of \$49,000,000 together with not to exceed \$1,000,000 of the unobligated balance of prior year funds which total is a decrease of \$3,600,000 in the 1955 estimate and the same amount as the obligations incurred in 1954. Included in this reduction is a reduction in the number of new positions requested and maintenance of the average grade of employees at the same level as in 1954. There is a reduction of \$4,250 for printing and reproduction as in other agencies of the bill.

Construction and equipment.—The committee considered a budget estimate of \$4,620,000 for additional facilities and has allowed \$4,349,000 for this purpose, a reduction of \$271,000 in the estimate and \$2,890,000 less than the amount appropriated in 1954. The NACA proposes a number of alterations to existing facilities and two major additions, one at the Langley Laboratory, and the other at the Lewis Laboratory at Cleveland. The committee approves the projects as recommended except the alteration to the supersonic wind tunnel estimated to cost \$120,000 at the Lewis Laboratory. It has reduced the engine research facility at the same location by \$151,000 and by careful expenditure and design it can be completed within the limit of cost provided.

This agency has made many additions to its plant during the last few years under the unitary wind tunnel plan, as has the Department of Defense, and the committee expects to look over the part of the program managed by the NACA at its earliest opportunity to be sure that there is no duplication of effort and that every economy is made in the maintenance and operation of the facilities.

NATIONAL CAPITAL HOUSING AUTHORITY

The National Capital Housing Authority is the public housing authority for the District of Columbia, and it operates 112 low-rent housing units and 30 non-residential properties developed or acquired under Title I of the District of Columbia Alley Dwelling Act of 1934. It also operates 7,027 units constructed under Title II, and operations for this part of the program are financed under a trust revolving fund, with part of the costs being financed from annual contributions contracts made with the Public Housing Administration.

Operating expenses of Title I properties, a small part of the overall program, are financed by this appropriation. Rental income from these properties is estimated during 1955 at \$55,759, but under provisions of the annual appropriation act the rental receipts from this activity are paid into miscellaneous receipts of the Treasury and are not available for operating expenses. There is included in the bill \$43,000 for this purpose which is the same amount as the estimate and the appropriation for 1954.

NATIONAL CAPITAL PLANNING COMMISSION

Salaries and expenses.—The bill contains \$143,000 for this purpose, which is a reduction of \$12,000 in the Budget estimate and an increase of \$18,000 over the appropriation for 1954. This agency is the central planning agency for the Federal and District governments in the National Capital and the activities of the National Capital Regional Planning Council, which coordinates planning in the counties and cities of the Metropolitan area, are also financed from this appropriation. The committee has denied two new positions requested and has reduced the request by the appropriate amount.

Land acquisition, National Capital park, parkway, and playground system.—The Commission requested \$545,000 for this activity, an increase of \$445,000 over the amount available in 1954, and the committee has approved the request. The amount included in the bill will provide \$135,000 for the George Washington Memorial Parkway, \$126,000 for Maryland stream valley parks, and \$284,000 for District of Columbia parks, parkways, and playgrounds. The estimate presented by the Commission this year is to acquire properties which will close gaps in the overall program with properties which have been previously acquired. During the hearings it was stated that there was some uncertainty in the Commission and in the Bureau of the Budget as to the future of the Capper-Cramton Act. The committee has revised the language contained in the bill to make it clear that this is a final appropriation under the authority of the Act of May 29, 1930, and if additional expansion of the system is desired, additional legislative authority will be required. It is with this thought in mind that the committee recommends the full amount of the budget request for this year so that the present program may be terminated in an orderly fashion and the missing links may join together isolated units already in public ownership.

NATIONAL SCIENCE FOUNDATION

The National Science Foundation as established under Public Law 507 of the 81st Congress is responsible for developing a national policy for the promotion of basis research and education in the sciences, for

supporting basis research, for awarding graduate fellowships, and for fostering the interchange of scientific information.

The committee is very much interested in the coordination and elimination of duplication between and among Government agencies and private foundations in connection with all scientific research work, and would like to see the National Science Foundation have greater authority over activity in this field. The greatest weakness in the present program is that the Foundation has no control over research desired by other Federal agencies, or over the products of its scientific research program. The bill contains \$11,000,000 for this agency which is an increase of \$3,000,000 over the appropriation for 1954 and is \$3,000,000 less than the amount of the budget estimate. The increase of \$3,000,000 to the Foundation is granted on the assumption that the Department of Defense is reducing its request in its budget for basic research with universities and institutions by \$3,000,000.

The committee is of the opinion that the Foundation is over-staffed in administration and it certainly should not increase over the present level. No limitation has been placed on personal services in the bill this year, but funds for increased staff are specifically denied. The Foundation requested \$982,000 for personal services in its budget presentation in 1954, but the committee approved only \$771,000. In its budget for 1955 this agency shows it will spend \$974,000 in 1954 for personal services which is substantially the amount of the request, although only \$8,000,000 of the \$15,000,000 requested was approved. The committee feels this is a disproportionate increase and will be following expenditures for this purpose closely to see if a limitation is necessary in the future.

RENEGOTIATION BOARD

This Board conducts renegotiation with contractors and subcontractors to eliminate excessive profits from business with the Government in connection with procurement under the National Defense Program. During the hearings it was testified that the Government had received \$107,872,511 in determinations as a result of work of the Board.

The committee has included \$4,500,000 in the bill for this activity, which is a reduction of \$700,000 below the request and \$692,800 less than the 1954 appropriation. It was testified before the committee that there would probably be twice as many refund cases out of those cases remaining as has been received from those adjudicated to date. The statutory date for the Board expired December 31, 1953, but it is to continue indefinitely until its work is finished. While considerable work remains to be done on cases pending, the work load will be getting lighter and the boards will have more experience with the adjudication process and the amount provided will enable them to operate without unnecessary extravagance.

SECURITIES AND EXCHANGE COMMISSION

This Commission is charged by law with the responsibility to protect the interests of the public against fraud in buying and selling securities.

For the salaries and expenses of this commission the committee recommends an appropriation of \$4,700,000 which is \$125,000 less

than the amount of the Budget estimate and \$300,000 less than the 1954 appropriation. The committee feels that there is an excessive number of lawyers in this agency and that the number of personnel in executive direction is too high. There is some overlapping and duplication between central office and field functions, and the committee is of the opinion that some of this duplication can be avoided. There are six employees in the Commission library to service 75 lawyers in the Washington office and this number can be reduced.

SELECTIVE SERVICE SYSTEM

The Selective Service System, through the action of 4,000 local and appeal boards registers, classifies, and forwards men for induction in the Armed Forces. For this purpose, the committee recommends for 1955 an appropriation of \$29,003,063 which is a reduction of \$2,496,937 in the estimate and \$879,337 less than the amount in 1954. The reductions made by the committee are set forth in the following table:

<i>Item</i>	<i>Reduction</i>
Administrative travel.....	—\$41, 201
Selectee travel.....	—2, 000, 000
Transportation of things.....	—33, 907
Penalty mail costs.....	—400, 000
Rents and utilities services.....	—16, 579
Printing and reproduction.....	—5, 250
Total reduction.....	—2, 496, 937

In explanation of the foregoing table, the committee has reduced the items for administrative travel, and transportation of things to the amount available in 1953. The General Services Administration assumed responsibility for \$309,379 of space financed by the Selective Service System in 1954, and the additional reduction for this purpose takes into account the additional amount to reduce the appropriation to the 1954 level. Penalty mail costs as shown in the table in House Document No. 330 are expected to be \$485,000 for this agency in 1954, and in 1955 are estimated at \$845,500. The committee expects these costs in 1955 will be far below the amount anticipated, and has reduced the estimate by \$400,000.

During the hearings it was testified that the estimates for the Selective Service System were predicated on estimated inductions of 420,000 during fiscal year 1955. This estimate is the number of calls to be made by the Department of Defense and is a factor beyond the control of the Selective Service System. Since the hearings the committee has received reliable information that the number of calls are more likely to be 18,000 to 24,000 per month and for the month of May the Army has requested the Selective Service System to provide its induction stations with 18,000 men. On the basis of this information the committee reduced the amount included in the bill for selectee travel by \$2,000,000 which is an amount completely dependent on the number of men forwarded for induction. It should be possible for the Director to make additional economies in this System and the committee is certain the amount provided will be adequate.

SMALL BUSINESS ADMINISTRATION

The Small Business Administration is the successor to the Small Defense Plants Administration, whose statutory authorities expired on July 1, 1953, and its purpose is to assist in maintaining the stability

of small, independent business enterprises. Its work is divided into four programs: (1) procurement assistance, (2) production assistance, (3) financial assistance other than direct lending, and (4) financial assistance in the form of direct lending. The funds for this agency are derived from two sources, direct appropriation, and a transfer of a portion of the funds in the Revolving Fund, Small Business Administration, for administrative expenses in connection with loan programs.

The bill provides for an appropriation of \$2,025,000 together with \$100,000 of the unobligated balance of funds remaining available at the end of 1954, which is a reduction of \$525,000 in the estimate and is \$75,000 less than the appropriation for this purpose in 1954. In connection with the loan program the committee recommends the full amount requested for this purpose of \$1,650,000, which is a transfer from the revolving fund and is an increase of \$75,000 over the amount available in 1954 for this part of the program. The total amount made available to this agency in the bill is in total the same as is available for 1954.

The committee is keenly aware of the importance of this agency to small business, and the importance of the task facing the Administration cannot be overemphasized.

The committee is discouraged with the progress that has been made to date in the loan program. It is understood that this program is gathering momentum and soon will be in full operation. The committee has included in the bill the full amount of \$1,650,000 requested for this purpose as this is the most essential function of the agency.

There are parts of the program with which the committee is not in full accord, and one is the overstaffing in the District of Columbia. The agency is overstaffed now and much of the estimate for 1955 is for staff that is not needed. The productive work will be accomplished in the field and the 198 employees in the District of Columbia on February 28 and the 210 requested for 1955 can be reduced.

The committee has not written into the law a limitation on the number of high-grade positions, but suggests that an analysis be made of its organization to determine that the grade assigned each position is justified. The committee has to look long and hard to find any agency that compares in the degree of overstaffing and number of high grade positions. This agency has more positions in grades GS-16 and above than the Bureau of the Budget, Interstate Commerce Commission, Federal Communications Commission, Securities and Exchange Commission, and National Advisory Committee for Aeronautics to mention only a few.

It is obvious to the committee that there is a great deal of duplication between the work of the Small Business Administration, the small business specialists of the Department of Defense, and work done in the Department of Commerce. It is recommended that the Bureau of the Budget review the activities of various agencies engaged in rendering assistance to small businesses with a view to making the aids effective and centralizing in one authority responsibility in this very important field and eliminating the unnecessary and ineffective overlapping functions between different agencies.

In connection with the lending authority of this agency it has available from an appropriation to the revolving fund of \$55,000,000 an unobligated prior year balance available in 1955 of \$42,663,000. There

is authorization for up to \$175,000,000 for working capital, and \$55,000,000 has been appropriated to this fund to date. Of the total authorization, not to exceed \$150,000,000 is authorized for small business loans and \$25,000,000 for disaster loans. It is estimated that approximately 700 small business loans amounting to \$35,000,000 will be authorized in fiscal year 1955 as compared to 350 and \$17,500,000 in 1954. In addition, it is anticipated that approximately 500, amounting to \$2,500,000 will be made in 1955 as a result of floods or catastrophes, the same number and amount as are anticipated for 1954.

SMITHSONIAN INSTITUTION

The Smithsonian Institution operates two museums, two scientific bureaus, two art galleries, the Canal Zone biological area, and International Exchange Service. Its exhibits are some of the most interesting in the United States, and in 1955 it is estimated that some 3,500,000 are expected to visit the Smithsonian institution, excluding the National Gallery of Art and National Zoological Park. This agency has on display some of the nation's greatest treasures in science, art, and history. The magnitude of this institution can be appreciated when it is understood that only about one-seventh of the objects are on display.

For this activity the budget proposes an appropriation of \$3,000,000, the same amount as the appropriation for 1954, and the committee approves the entire amount.

The Institution is undertaking a major renovation program to bring the exhibits up to date and present the displays in a more effective manner. This renovation program is estimated to take 10 years at the current rate of progress. To assist in financing this renovation and to help bring it about as soon as possible the committee during the hearings asked if consideration had been given to charging a nominal fee for the privilege of viewing the exhibitions. Guards are on duty at the exhibits at all times and the committee felt that a small fee which would be burdensome to no one would provide additional funds with which the renovation could be accomplished in a much shorter period of time.

National Gallery of Art.—The bill includes \$1,300,000 for expenses necessary for the operation of the National Gallery of Art, which is an increase of \$25,000 over the appropriation in 1954 and the same amount as the Budget estimate. The additional amount will enable the Gallery to operate 8 additional exhibition rooms in 1955.

SUBVERSIVE ACTIVITIES CONTROL BOARD

For several years the Board has received testimony to determine whether organizations are "Communist-action" or "Communist-front" organizations. For this activity the committee recommends an appropriation of \$150,000 together with not to exceed \$81,000 of the unobligated balance of funds which will not be used during the current year. This will provide a total of \$231,000 for such purpose which is \$69,000 less than the estimate and \$119,000 less than the total appropriations in 1954. The amount contained in the bill is provided to finance the current level of activity, but if the workload should increase materially, the committee will consider a supplemental estimate to provide the funds essential for the operation of this Board.

TARIFF COMMISSION

The committee has allowed \$1,250,000 for this Commission which is a reduction of \$41,375 below the amount available in 1954 and a reduction of \$77,000 in the estimate. During the hearings it was testified that this agency is asked on many occasions by other agencies to conduct special studies and develop information on special subjects. It is estimated that the equivalent of 11 positions at an annual cost of \$66,000 are engaged in this type of work. The committee seriously questions the need to furnish such information on a comprehensive scale and has accordingly reduced the amount required by \$66,000. If such studies are necessary, the Tariff Commission should be reimbursed for the estimated cost of providing such service, and the bill contains language which will so provide.

THE TAX COURT OF THE UNITED STATES

The bill contains funds for this Court which reviews determinations of tax deficiencies made by the Commissioner of Internal Revenue and decides whether there is a deficiency or an overpayment in Federal income, estates, gifts, and excess profits taxes. The committee recommends \$1,000,000 for this purpose, which is \$5,000 more than the amount available in 1954 and is the amount of the budget request.

TENNESSEE VALLEY AUTHORITY

The committee recommends an appropriation of \$103,582,000 for this purpose for 1955, which is \$84,789,000 less than the amount appropriated for the current year and is a reduction of \$38,218,000 in the budget estimate. In addition thereto the budget for 1955 provides \$227,708,000 from operations.

The following table sets forth the committee action in connection with various programs in this item:

	Original budget	Recom- mended by committee	Reduction
Acquisition of assets:			
Power facilities: Projects under construction.....	\$120,796,000	\$120,796,000	-----
Transmission system facilities.....	12,000,000		-\$12,000,000
Additions and improvements at completed projects.....	977,000	825,000	-152,000
Navigation facilities.....	234,000	234,000	-----
Investigations for future projects.....	125,000		-125,000
Chemical facilities.....	782,000	782,000	-----
General facilities.....	423,000	211,500	-211,500
Distribution of administrative and general expenses.....	1,650,000	1,650,000	-----
Total acquisition of assets.....	136,987,000	124,498,500	-12,488,500
Program expenses:			
Resource development.....	600,000		-600,000
Other programs.....	4,946,000	4,946,000	-----
Distribution of administrative and general expenses.....	335,000	295,000	-40,000
Total program expenses.....	5,881,000	5,241,000	-640,000
Less unobligated balance from prior year.....	-1,068,000	-1,068,000	-----
Less funds for purchase of 111 automobiles.....		-89,500	-89,500
Balance available in subsequent years, and/or reserve for con- tingencies.....		-25,000,000	-25,000,000
Total appropriated funds.....	141,800,000	103,582,000	-38,218,000

There is included in the bill \$120,796,000 to continue construction in 1955 of a total of 26 power units, including 22 units in 16 steam plants, now at various stages of construction. No reduction has been made in this item. No new steam plants are proposed or recommended for construction in 1955.

The committee has made a reduction of \$12,000,000 in the appropriation financed budget for transmission facilities and has transferred this item to the corporate program. The corporate budget contains \$25,000,000 for these facilities already and it is suggested that the entire amount of \$37,000,000 be provided from this source. Similar reductions have been made in funds requested for site improvements and public-use facilities amounting to \$152,000, and investigations for future projects at \$125,000 which should also be financed in the corporate budget. One half of the amount of the request for office facilities and equipment, transportation facilities and equipment, trucks and other transportation facilities and equipment, and other general facilities has been similarly transferred to funds available from operations. All the reductions heretofore outlined are transfers from the appropriation financed to the corporate financed budget, but are not rejections of the proposed expenditures as such.

In its report last year the committee stated that it was of the opinion that future programs for resource development should be financed from revenues or by local or state sources. Language is included in the bill which will permit use of \$600,000 of corporate funds in 1955 for such purpose and the budget estimate of \$600,000 of the appropriated funds has been eliminated. The reduction of \$40,000 for distribution of administrative and general expenses is related to the resource development program.

The largest reduction included in the tabulation is a decrease of \$25,000,000 in the balance of funds to be carried over into subsequent years or held as a reserve for contingencies. The carryover into 1956 is estimated in the 1955 Budget at \$46,817,712 and the committee feels this amount can be safely reduced. The net effect of all the reductions set forth in this report on TVA, with the exception of the \$600,000 reduction in funds for resource development, is to approve the program as proposed but to require additional use of corporate and reserve funds.

Aside from the money amounts there are two legislative provisions in the language of the bill the committee recommends and would like to call to the attention of the Congress. One is a provision relating to payment of interest by the TVA on funds advanced by the Treasury and used to construct power facilities, and the other item relates to the authority of local units of government to establish rates for power.

The first provision provides that the Tennessee Valley Authority shall pay each year to miscellaneous receipts of the Treasury from its power revenues an amount of interest equal to the amount of interest the Treasury must pay on moneys appropriated to the TVA for such purpose. In the program and performance narrative statement in the President's Budget for this year is a statement in connection with payment of interest on power investment which states as follows:

In order to carry out the power policy of the Administration of requiring an interest charge on the Federal investment in power facilities a proposal is being developed for submission to the Congress to provide that an adequate rate of interest be paid to reimburse the Treasury for the cost of money invested in power facilities of TVA.

The provision included in this bill is intended to help the Tennessee Valley Authority and stop the increasing amount of criticism that is developing because of its expanding power requirements. This provision provides that the Authority, when it receives appropriated funds to build power facilities, repay to the taxpayers of the country the amount the taxpayers must pay in interest on the money to finance the TVA power program. The committee feels that language of this nature will be an advantage to the region and also to the Government. The region will benefit from the same low interest rates as the Treasury and the Government will be reimbursed by TVA for the equivalent of its cost for providing the funds.

The other provision in the bill states that no limitations shall be placed by the Tennessee Valley Authority on resale rates of power fixed by local distributors. The committee does not believe it is good policy for the TVA to interfere in the business of municipalities and local units of government.

VETERANS ADMINISTRATION

The committee recommends a total of \$3,779,432,800 for the Veterans Administration for the fiscal year 1955, as compared with a total of \$4,198,968,264 for the fiscal year 1954. The amount recommended is \$419,535,464 less than the 1954 appropriation and \$113,040,200 below the 1955 budget estimate. The following table is inserted at this point to show the appropriations for 1954, the amount of the estimates for 1955, and amounts recommended in the bill, for the various administrative programs of this agency:

Veterans Administration administrative appropriations (exclusive of benefit payment programs)

Item	Appropriations, 1954	Budget estimates, 1955	Recommended in bill for 1955
General operating expenses	\$193, 531, 000	\$164, 700, 000	\$163, 922, 300
Medical administration and miscellaneous operating expenses	14, 870, 400	14, 654, 000	14, 654, 000
Inpatient care			² 598, 127, 000
Maintenance and operation of hospitals	¹ 555, 000, 000	² 561, 262, 500	(³)
Contract hospitalization	20, 583, 100	18, 891, 000	(³)
Maintenance and operation of domiciliary facilities	24, 248, 200	24, 236, 000	(³)
Outpatient care	92, 677, 900	76, 744, 000	76, 744, 000
Maintenance and operation of supply depots	1, 800, 000	1, 654, 000	1, 654, 000
Total appropriations	¹ 902, 710, 600	² 862, 141, 500	² 855, 101, 300

¹ Includes \$7,000,000 from reimbursements for services performed for other Government agencies and individuals.

² Includes \$7,134,500 from reimbursements for services performed for other Government agencies and individuals.

³ Consolidated into the above appropriation.

General operating expenses.—This appropriation contains expenses for the three major divisions of the Veterans' Administration. It provides for (1) general administration, which includes executive direction of the agency, administrative services for departmental activities, the Board of Veterans Appeals, and the Veteran's Education Appeals Board; (2) insurance activities, and (3) administrative expenses in connection with veteran's benefits. The committee recommends \$163,922,300 for this purpose which is a reduction of \$777,700 in the estimates and a decrease of \$29,608,700 from

the 1954 appropriation. The committee has reduced the estimate for expenses of travel by \$510,000, the amount provided for office supplies by \$120,000, and the amount requested for costs of printing and reproduction by \$94,700.

Medical Administration and miscellaneous operating expenses.—This appropriation finances the overall supervision of the medical, hospital, and domiciliary programs, including administration of the construction program and medical research. The committee recommends the amount of the budget estimate for this purpose of \$14,654,000 which is \$216,400 less than the amount available in 1954. Of the amount provided in the bill, \$800,000 is appropriated specifically for prosthetic research.

Inpatient care.—The committee has included in the bill this year a new paragraph which consolidates into one appropriation the amounts carried last year for maintenance and operation of hospitals, contract hospitalization, and maintenance and operation of domiciliary facilities. In 1954 the committee divided the appropriations for administrative programs of this agency into seven separate appropriations, and provided the total amount the VA stated it needed to operate the hospital program of \$555,000,000. This arrangement has worked very satisfactorily and all the funds provided will not be required. During hearings on the bill the committee, with assistance from its investigative staff, was able to point out to the Veterans' Administration many areas where economies could be effected. The committee is convinced that considerable economies can be made without in any way effecting the service to veterans in need of care if some of these suggestions are pursued. During the hearings the results of a business analysis of a representative sample of hospitals in the VA hospital program was used as a basis to try to determine what factors make certain hospitals more costly to operate than others. The committee will be interested in receiving next year a report from the Veterans' Administration on what progress it has been able to make during the year in pursuing the constructive suggestions that have been made.

For operation of the hospital program in 1955 the committee recommends the sum of \$598,127,000, which is composed of \$555,000,000 for maintenance and operation of hospitals, \$24,236,000 for maintenance and operation of domiciliary facilities, and \$18,891,000 for contract hospitalization. The latter two amounts are the same as the 1955 estimate and the \$555,000,000 is the same amount as was appropriated in 1954. On page 1708 of the record of the hearings a letter is included which was received from the Veterans Administration subsequent to the hearing and it states that the Veterans Administration has agreed that the sum of \$598,127,000 will be adequate to provide hospital care for an average of 127,000 hospital and domiciliary patients per day in Veterans' Administration and contract hospital facilities. This is a saving of \$6,000,000 in the estimate and can be accomplished without difficulty by combining the three items of hospital care into a single appropriation for inpatient care, and by amending the appropriation language so as to relate the amount of the appropriation to the average daily patient load rather than an average number of operating beds. The committee is confident that a greater saving can be made but is willing to place the responsibility to operate the hospitals economically on the administration of the Veterans Administration.

This appropriation is based on no reduction in the present standards of medical care.

Outpatient care.—The bill includes \$76,744,000 for outpatient care which is the amount requested for 1955 and is \$15,933,900 less than the appropriation in 1954. This amount provides \$54,843,000 for operation of clinics, \$7,194,000 for office services, \$8,897,000 for fee basis medical care, and \$5,810,000 for fee basis dental care. These are approximately the same amounts as in 1954 except for fee basis dental care which is reduced substantially as the result of the limitation included in the bill last year which defines eligibility for dental treatment. The backlog which existed in outpatient dental care a year ago has been virtually eliminated and will be at a much lower level in 1955.

Maintenance and operation of supply depots.—The committee recommends an appropriation of \$1,654,000 for this purpose which is the amount of the estimate and a reduction of \$146,000 below the amount available in 1954. This appropriation covers the cost of operating the supply depot system for distribution of hospital supplies and equipment.

Compensation and pensions.—The committee recommends an appropriation of \$2,435,000,000 for payment of compensation and pensions to veterans under benefit programs established by law. The committee refers to its statement in its report on the Third Supplemental Appropriation Bill, 1954, with relation to this item where it suggests that a comprehensive review of papers and files is urgently needed. The committee recognizes the fact that funds provided for this item are to meet firm obligations of the Federal Government, but that this is an estimate and if an additional amount is required during the next fiscal year the committee will recommend funds to meet the situation.

Readjustment benefits.—The bill includes an amount of \$387,000,000 for this appropriation to provide education and training, vocational rehabilitation for disabled veterans, administration for the loan guaranty program, and housing grants for disabled veterans. This is the same amount as is requested in the budget and is a reduction of \$277,311,000 below the appropriation for 1954. There is an anticipated unobligated balance for 1954 in this fund of \$199,132,166 which is available until expended and will be available in 1955 when the total amount available for obligation will be \$590,612,066.

Military and Naval insurance.—The committee recommends an appropriation of \$4,932,000 for this purpose which is an increase of \$3,436,000 over 1954 and is the amount of the estimated needs for 1955.

Hospital and Domiciliary facilities.—There is included in the bill \$39,000,000 for this purpose to finance the hospital construction and alteration program for 1955. The major part of the funds will be applied to the Topeka and San Francisco hospitals still under the 1948 bed-producing program, and numerous smaller programs are included.

The committee has also included language in the bill which will solve a difficult problem which is causing delay in connection with construction of the neuro-psychiatric hospital at Cleveland, Ohio. Because of Civil Defense requirements it is not possible to locate the facility within the city and it is necessary to construct the installa-

tion at a site in the outlying areas where water facilities are not available. The City of Cleveland is willing to install water lines to the site and the language will authorize the Veterans Administration to enter into a contract that will be satisfactory to both parties.

National Service Life Insurance.—The committee recommends an appropriation of \$30,570,000 for this fund which amount is \$44,430,000 less than the appropriation in 1954 and is \$6,000,000 less than the estimate. An actuarial study of this fund indicates that \$6,000,000 of the amount requested will not be required in 1955.

Servicemen's indemnity.—The bill contains \$30,000,000 for this purpose, an increase of \$5,000,000 over total appropriations for 1954 and the amount of the budget request. This appropriation provides for payments to beneficiaries of servicemen who die while in active service or within a period of 120 days after separation or release from active service.

Grants to the Republic of the Philippines.—An appropriation equal to the request for \$1,564,000 is recommended and this amount is a decrease of \$167,000 below the amount appropriated in 1954. This item is to finance medical care and treatment for certain veterans in the Philippines at an annual rate of not to exceed \$3,285,000 for a period of five years.

Major alterations, improvements, and repairs.—This language is proposed for this year to make improvements for non-bed producing construction projects costing less than \$250,000 each at hospitals and homes and for alterations and improvements to regional offices and supply depots. The amount contained in the bill, \$3,400,000, is the amount requested in the budget estimate.

WAR CLAIMS COMMISSION

The administrative expenses for this Commission are financed from the War Claims fund which consists of moneys derived from enemy assets vested by the Office of Alien Property, Department of Justice. This fund is established to pay the claims of internees of World War II and various other claims as provided by the War Claims Act of 1948, as amended.

The committee considered the budget estimate of \$515,000 for administrative expenses and has recommended that amount, a reduction of \$335,000 below 1954. The Commission is scheduled to complete its activities on March 31, 1955, and the language in the bill provides for the completion of the activities of this agency by that date.

During the hearings the committee made extensive inquiry into the adequacy of funds on deposit to the credit of the War Claims Fund and asked if assets held by the Alien Property Custodian would be sufficient to pay all claims. For several years the committee has been greatly concerned as to the potential liability on the part of the United States to backstop the claims awarded by this Commission and the appropriation bill authorizing payment of claims has carried language for a number of years providing that no claims shall be allowed or paid under the provisions of the War Claims Act of 1948 from any funds other than those covered into the Treasury under the terms of the Act. Public Law 211, approved August 7, 1953, which authorized the latest transfer of funds not to exceed \$75,000,000 to

the fund, contained language not previously carried in such transfers. It provides that there is authorized to be appropriated to the Attorney General such sums as may be necessary to replace the sums deposited by him into the fund, which in effect places a potential liability on the taxpayers of \$75,000,000. The fund now contains total deposits of \$210,000,000 and the Bureau of the Budget is holding in reserve \$15,000,000 in addition to this amount. The latest analysis of the fund shows that it is expected that additional funds will be necessary for deposit to the War Claims Fund, and that \$4,730,002 will be required out of the \$15,000,000 in reserve. The committee wishes to call the attention of the Congress to this condition and make its concern for the potential liability to the taxpayers a matter of record.

LIMITATIONS AND LEGISLATIVE PROVISIONS

The following limitations and legislative provisions not heretofore carried in connection with any appropriation bill are recommended:

On page 3, in connection with the Bureau of the Budget:

Provided, That the Bureau of the Budget is authorized, without regard to section 505 of the Classification Act of 1949, to place two additional positions in grade GS-18 and two additional positions in grade GS-17 of the General Schedule established by said Act.

On page 7, in connection with the American Battle Monuments Commission:

Provided further, That the Commission may reimburse other Government agencies, including the Armed Forces, for salary, pay, and allowances of personnel assigned to it.

On pages 7 and 8, in connection with the American Battle Monuments Commission:

Provided, That the Commission is hereby authorized to erect such works of architecture and art in the National Memorial Cemetery of the Pacific as may be determined by the Commission with the consent of the Secretary of the Army.

On page 24, in connection with strategic and critical materials, General Services Administration:

Provided further, That no part of funds available shall be used for construction of warehouses or tank storage facilities.

On page 28, in connection with the Housing and Home Finance Agency, capital grants for slum clearance and urban redevelopment:

Provided, That no funds in this or any other Act shall be available for payment of capital grants under any contract involving the development or redevelopment of a project for predominantly residential uses unless incidental uses are restricted to those normally essential for residential uses:

On page 42, in connection with the Tariff Commission:

Provided further, That no part of the foregoing appropriation shall be used for making any special study, investigation or report at the request of any other agency of the executive branch of the government unless reimbursement is made for the cost thereof.

On pages 43 and 44, in connection with the Tennessee Valley Authority:

Provided further, That hereafter the board of directors of the Tennessee Valley Authority shall pay each year to miscellaneous receipts of the Treasury from power revenues interest on the amounts invested by the Authority in power-facility properties, including construction in progress, from appropriations heretofore and hereafter made to the Authority and on amounts equal to the book value at the time of the transfer of power-facility properties obtained from other Federal agencies without reimbursc-

ment by the Authority, less amounts of capital returned to the Treasury from such revenues. The rate of interest shall be equal to the average rate of interest paid by the Treasury of the United States, during the prior fiscal year, on the public debt:

On page 44, in connection with the Tennessee Valley Authority:

Provided further, That no limitation shall be placed by the Tennessee Valley Authority on resale rates of power fixed by local distributors.

On page 47, in connection with Inpatient care, Veterans Administration:

Provided further, That the foregoing appropriation is predicated on furnishing inpatient care and treatment to an average of 127,000 beneficiaries during the fiscal year 1955, excluding members in State or Territorial homes, and if a lesser number is experienced such appropriation shall be expended only in proportion to the average number of beneficiaries furnished such care and treatment.

On page 51, in connection with Hospital and domiciliary facilities, Veterans Administration:

Provided, That notwithstanding any other provisions of existing law the Veterans Administration is authorized to advance not to exceed \$2,000,000 from construction funds previously appropriated, to the city of Cleveland, Ohio, for the construction or extension of necessary water facilities to the site of the proposed Veterans Administration hospital, this amount to be repaid by the city of Cleveland in cash or water over a period of years as determined by the Veterans Administration and the city of Cleveland.

On page 59, in connection with the Federal National Mortgage Association:

Provided further, That the Federal National Mortgage Association is authorized and directed prior to the conclusion of any sale of a mortgage at a discount to a financial institution to offer the mortgage to the mortgagor at the same discount, and that an offer shall be considered properly made when addressed by registered letter to the mortgagor, who may tender the purchase price, less discount, to the Federal National Mortgage Association within two weeks from date of receipt of such offer.

On pages 60, 61, and 62, in connection with Housing and Home Finance Agency, Office of the Administrator, revolving fund (liquidating programs):

*Office of the Administrator, revolving fund (liquidating programs): There is established as of June 30, 1954, a revolving fund, and the Administrator is authorized to credit said fund with all moneys hereafter obtained or now held by him or by any constituent agency of the Housing and Home Finance Agency or any other official thereof, and to account under said fund for all assets and liabilities, in connection with (1) community facilities provided or assisted under title II of the Lanham Act, as amended (42 U. S. C. 1531-1534), or under title III of the Defense Housing and Community Facilities and Services Act of 1951, as amended (42 U. S. C. 1592-1592n); (2) loans or advances made pursuant to title V of the War Mobilization and Reconversion Act of 1944 (58 Stat. 791), or the Act of October 13, 1949 (40 U. S. C. 451-458); (3) functions transferred under Reorganization Plan No. 23 of 1950 (5 U. S. C. 1332-15, note), or authorized under sections 102, 102a, 102b, and 102c of the Housing Act of 1948, as amended (12 U. S. C. 1701g-1701g-3); (4) notes or other obligations purchased pursuant to the Alaska Housing Act, as amended (48 U. S. C. 484 (a)); (5) subsistence homesteads and greentowns (Acts of June 29, 1936, 49 Stat. 2035, and May 19, 1949, 63 Stat. 68); (6) public war housing under title I of the Lanham Act, as amended (42 U. S. C. 1521-1524), and defense housing under title III of the Defense Housing and Community Facilities and Services Act of 1951, as amended (42 U. S. C. 1592-1592n); and (7) veterans' re-use housing under title V of the Lanham Act, as amended (42 U. S. C. 1571-1575): *Provided, That said fund shall be available for all necessary expenses (including administrative expenses) in connection with the liquidation of the programs carried out pursuant to the foregoing provisions of law, including operation, maintenance, improvement, or disposition of facilities, and for disbursements pursuant to outstanding commitments against moneys herein authorized to be credited to said fund, repayment of obligations to the Treasury, and refinancing and refunding operations on existing loans: Provided further, That any amount in said fund which is determined to be in excess of requirements for the purposes hereof shall be declared and paid as liquidating dividends to**

the Treasury not less often than annually: Provided further, That during the current fiscal year not to exceed \$3,940,000 shall be available for administrative expenses (including not to exceed \$265,000 for travel) for the foregoing purposes, but this amount shall be exclusive of payment for services and facilities of the Federal Reserve banks or any member thereof, the Federal home loan banks, and any insured bank within the meaning of the Act of August 23, 1935, as amended, creating the Federal Deposit Insurance Corporation (12 U. S. C. 264) which has been designated by the Secretary of the Treasury as a depository of public money of the United States: Provided further, That after the effective date of this Act no additional notes or obligations shall be purchased from funds appropriated pursuant to the Alaska Housing Act, as amended (48 U. S. C. 484 (d)), except for the furtherance or refinancing of an existing loan: Provided further, That except for extensions, or refinancing, of existing obligations the authority to issue obligations to the Secretary of the Treasury under section 1 (4) of Reorganization Plan No. 23 of 1950 (5 U. S. C. 1332-15, note), shall terminate on June 30, 1954: Provided further, That all expenses, not otherwise specifically limited in this Act, in connection with the programs administered pursuant to the foregoing provisions of law shall not exceed \$20,000,000.

COMPLIANCE WITH RULE XIII—CLAUSE 3

The following submitted in compliance with Clause 3, of rule XIII:

PENDING BILL

On page 19, line 19, in connection with Salaries and expenses, General Accounting Office:

Provided, That the fourth paragraph under the heading "General Accounting Office" in Public Law 137, approved August 31, 1951 (65 Stat. 274), as amended by Public Law 455, approved July 5, 1952 (66 Stat. 399), is further amended by changing "four positions in grade GS-18" to "five positions in grade GS-18", and "thirteen positions in grade GS-16" to "twelve positions in grade GS-16".

EXISTING LAW

Public Law 137, 82d Congress, as amended by Public Law 455, 82d Congress, under the General Accounting Office, fourth paragraph:

The Comptroller General of the United States hereafter is authorized, subject to the procedures prescribed by section 505 of the Classification Act of 1949, but without regard to the numerical limitations contained therein, to place four positions in grade GS-18, two positions in grade GS-17, and thirteen positions in grade GS-16 in the General Schedule established by the Classification Act of 1949, and such positions shall be in lieu of any positions in the General Accounting Office previously allocated under section 505. The authority granted herein shall not be construed to require or preclude the reallocation of any positions in the General Accounting Office previously allocated under section 505.

COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1954, ESTIMATES FOR 1955, AND AMOUNTS
RECOMMENDED IN THE BILL FOR 1955

Item	Appropriations, 1954	Budget estimates, 1955	Recommended in bill for 1955	Bill compared with—	
				1954 appropriation	1955 estimates
EXECUTIVE OFFICE OF THE PRESIDENT					
Compensation of the President.....	\$150,000	\$150,000	\$150,000		
The White House Office.....	1,800,000	1,895,000	1,895,000	+\$95,000	
Executive Mansion and Grounds.....	356,184	366,200	366,200	+10,016	
Bureau of the Budget.....	3,412,000	3,390,000	3,382,500	—29,500	—\$7,500
Council of Economic Advisers.....	275,000	325,000	250,000	—25,000	—75,000
National Security Council.....	220,000	215,000	200,000	—20,000	—15,000
Office of Defense Mobilization.....	2,750,000	2,761,000	2,134,000	—616,000	—627,000
Emergency fund for the President (national defense).....	300,000	750,000	150,000	—150,000	—600,000
Expenses of management improvement.....	500,000	400,000	250,000	—250,000	—150,000
Total, Executive Office of the Presi- dent.....	9,763,184	10,252,200	8,777,700	—985,484	—1,474,500
INDEPENDENT OFFICES					
AMERICAN BATTLE MONUMENTS COMMISSION					
Salaries and expenses.....	750,000	775,000	775,000	+25,000	

Construction of memorials and cemeteries-----	8,500,000	3,500,000	3,500,000	-5,000,000	-----
Total, American Battle Monuments Commission-----	9,250,000	4,275,000	4,275,000	-4,975,000	-----
ATOMIC ENERGY COMMISSION					
Operating expenses-----	891,781,000	7 1,105,650,000	1,093,462,300	+201,681,300	-12,187,700
Plant and equipment-----	166,000,000	7 236,350,000	96,498,400	-69,501,600	-139,851,600
Liquidation of contract authority-----					-----
Total, Atomic Energy Commission--	1,057,781,000	1,342,000,000	1,189,960,700	+132,179,700	-152,039,300
CIVIL SERVICE COMMISSION					
Salaries and expenses-----	17,000,000	15,690,000	15,575,600	-1,424,400	-114,400
Investigations of United States citizens for employment by international organizations-----	1,200,000	900,000	400,000	-800,000	-500,000
Annuities, Panama Canal construction employees and Lighthouse Service widows--	2,500,000	2,354,000	2,354,000	-146,000	-----
Payment to civil service retirement and disability fund for increases in annuities-----	31,397,000	29,623,000	29,623,000	-1,774,000	-----
Total, Civil Service Commission----	52,097,000	48,567,000	47,952,600	-4,144,400	-614,400

¹ Includes \$95,000 contained in H. Doc. 333.² And unobligated balance of funds for the White House Office for this purpose continued available.³ And unobligated balance in fund on June 30, 1954.⁴ And unobligated balance of prior year appropriations to remain available.⁵ And not to exceed \$600,000 of the unobligated balance in fund on June 30, 1954.⁶ Contained in the Supplemental Appropriation Act, 1954.⁷ Amounts recommended in H. Doc. 348.

Item	Appropriations, 1954	Budget estimates, 1955	Recommended in bill for 1955	Bill compared with—	
				1954 appropriation	1955 estimates
INDEPENDENT OFFICES—Continued					
FEDERAL COMMUNICATIONS COMMISSION					
Salaries and expenses-----	\$7, 400, 000	\$7, 644, 400	* \$6, 544, 400	—\$855, 600	—\$1, 100, 000
FEDERAL POWER COMMISSION					
Salaries and expenses-----	4, 300, 000	4, 150, 000	4, 150, 000	—150, 000	-----
FEDERAL TRADE COMMISSION					
Salaries and expenses-----	4, 053, 800	4, 200, 000	4, 030, 700	—23, 100	—169, 300
GENERAL ACCOUNTING OFFICE					
Salaries and expenses-----	⁹ 31, 981, 000	32, 200, 000	31, 981, 000	-----	—219, 000
GENERAL SERVICES ADMINISTRATION					
Operating expenses, Public Buildings Service-----	98, 826, 070	115, 400, 000	94, 460, 000	—4, 366, 070	—20, 940, 000
Emergency operating expenses-----	¹⁰ 20, 200, 000	(¹¹)	15, 647, 000	—4, 553, 000	+15, 647, 000
Repair, improvement, and equipment of federally owned buildings outside the District of Columbia-----	14, 000, 000	12, 000, 000	12, 000, 000	—2, 000, 000	-----
Operating expenses, Federal Supply Service-----	2, 605, 000	2, 600, 000	2, 600, 000	—5 000	-----

Expenses, general supply fund-----	13, 924, 500	13, 100, 000	11, 066, 800	-2, 857, 700	-2, 033, 200
Operating expenses, National Archives and Records Service-----	5, 625, 000	5, 000, 000	5, 000, 000	-625, 000	-----
Administrative operations-----	4, 200, 000	4, 100, 000	3, 789, 500	-410, 500	-310, 500
Refunds under Renegotiation Act-----	9, 000, 000	(¹²)	(¹²)	-9, 000, 000	-----
Strategic and critical materials (liquida- tion of contract authorization)-----	(¹³)	27, 600, 000	(¹⁴)	-----	-27, 600, 000
Hospital facilities in the District of Co- lumbia (liquidation of contract authori- zation)-----	0	4, 500, 000	4, 500, 000	+4, 500, 000	-----
Buildings management fund-----	3, 000, 000	3, 000, 000	0	-3, 000, 000	-3, 000, 000
Remodeling the Congress Street Post Office, Chicago, Ill-----	576, 200	0	-----	-576, 200	-----
Total, General Services Administra- tion-----	171, 956, 770	187, 300, 000	149, 063, 300	-22, 893, 470	-38, 236, 700
HOUSING AND HOME FINANCE AGENCY					
Office of the Administrator:					
Salaries and expenses-----	3, 215, 550	2, 900, 000	2, 668, 500	-547, 050	-231, 500
Capital grants for slum clearance and urban redevelopment-----	20, 000, 000	39, 000, 000	39, 000, 000	+19, 000, 000	-----

⁹ Not to exceed \$150,000 of unobligated balance of funds appropriated in First Independent Offices Act, 1954, is made available.

¹⁰ And not to exceed \$300,000 of prior year funds continued available in the Supplemental Appropriation Act, 1954.

¹¹ Includes \$200,000 contained in the Supplemental Appropriation Act, 1954.

¹² Consolidated in the above appropriation.

¹³ Unobligated balance of prior year appropriations continued available until June 30, 1956.

¹⁴ Not to exceed \$30,000,000 of prior year funds made available.

¹⁵ Not to exceed \$27,600,000 from funds previously appropriated made available.

Comparative statement of appropriations for 1954, estimates for 1955, and amounts recommended in the bill for 1955—Con.

Item	Appropriations, 1954	Budget estimates, 1955	Recommended in bill for 1955	Bill compared with—	
				1954 appropriation	1955 estimates
INDEPENDENT OFFICES—Continued					
HOUSING AND HOME FINANCE AGENCY— continued					
Office of the Administrator—Continued					
Total, Office of the Administrator—	\$23, 215, 550	\$41, 900, 000	\$41, 668, 500	+\$18, 452, 950	—\$231, 500
Public Housing Administration:					
Administrative expenses—	6, 950, 000	7, 900, 000	6, 950, 000	-----	—950, 000
Annual contributions—	a 43, 300, 000	69, 100, 000	63, 950, 000	+20, 650, 000	—5, 150, 000
Total, Public Housing Administration—	50, 250, 000	77, 000, 000	70, 900, 000	+20, 650, 000	—6, 100, 000
Total, Housing and Home Finance Agency—	73, 465, 550	118, 900, 000	112, 568, 500	+39, 102, 950	—6, 331, 500
INDIAN CLAIMS COMMISSION					
Salaries and expenses—	117, 020	117, 000	117, 000	—20	-----
INTERSTATE COMMERCE COMMISSION					
Salaries and expenses—	-----	11, 500, 000	-----	-----	—11, 500, 000

General expenses-----	9, 600, 000	(15)	9, 816, 000	+ 216, 000	+ 9, 816, 000
Defense transport activities-----	425, 000	275, 000	170, 000	- 255, 000	- 105, 000
Railroad safety-----	974, 500	(15)	-----	- 974, 500	-----
Locomotive inspection-----	709, 500	(15)	-----	- 709, 500	-----
Railroad safety and locomotive inspection-----	-----	-----	1, 684, 000	+ 1, 684, 000	+ 1, 684, 000
Total, Interstate Commerce Commission-----	11, 709, 000	11, 775, 000	11, 670, 000	- 39, 000	- 105, 000
INTERSTATE COMMISSION ON THE POTOMAC RIVER BASIN	-----	-----	-----	-----	-----
Contribution to the Interstate Commission on the Potomac River Basin-----	5, 000	5, 000	5, 000	-----	-----
NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS	-----	-----	-----	-----	-----
Salaries and expenses-----	51, 000, 000	53, 600, 000	¹⁶ 49, 000, 000	- 2, 000, 000	- 4, 600, 000
Construction and equipment-----	7, 239, 000	4, 620, 000	4, 349, 000	- 2, 890, 000	- 271, 000
Construction and equipment (liquidation of contract authorization)-----	4, 200, 000	-----	-----	- 4, 200, 000	-----
Total, National Advisory Committee for Aeronautics-----	62, 439, 000	58, 220, 000	53, 349, 000	- 9, 090, 000	- 4, 871, 000
NATIONAL CAPITAL HOUSING AUTHORITY	-----	-----	-----	-----	-----
Maintenance and operation of properties-----	43, 000	43, 000	43, 000	-----	-----

^a Includes amounts in Third Supplemental Appropriation bill, as passed the House.

¹⁵ Consolidated in estimate for salaries and expenses.

¹⁶ Plus \$1,000,000 of unobligated balances available on June 30, 1954.

Comparative statement of appropriations for 1954, estimates for 1955, and amounts recommended in the bill for 1955—Con.

Item	Appropriations, 1954	Budget estimates, 1955	Recommended in bill for 1955	Bill compared with—	
				1954 appropriation	1955 estimates
INDEPENDENT OFFICES—Continued					
NATIONAL CAPITAL PLANNING COMMISSION					
Salaries and expenses-----	\$125, 000	\$155, 000	\$143, 000	+\$18, 000	—\$12, 000
Land acquisition-----	100, 000	545, 000	545, 000	+445, 000	-----
Total, National Capital Planning Commission-----	225, 000	700, 000	688, 000	+463, 000	—12, 000
NATIONAL SCIENCE FOUNDATION					
Salaries and expenses-----	8, 000, 000	14, 000, 000	11, 000, 000	+3, 000, 000	—3, 000, 000
RENEGOTIATION BOARD					
Salaries and expenses-----	5, 192, 800	5, 200, 000	4, 500, 000	—692, 800	—700, 000
SECURITIES AND EXCHANGE COMMISSION					
Salaries and expenses-----	5, 000, 000	4, 825, 000	4, 700, 000	—300, 000	—125, 000
SELECTIVE SERVICE SYSTEM					
Salaries and expenses-----	29, 882, 400	31, 500, 000	29, 003, 063	—879, 337	—2, 496, 937
SMALL BUSINESS ADMINISTRATION					
Salaries and expenses-----	17 2, 200, 000	18 2, 650, 000	19 2, 025, 000	—175, 000	—625, 000
Revolving fund, Small Defense Plants Administration-----			(20)		-----

SMITHSONIAN INSTITUTION					
Salaries and expenses-----	3, 000, 000	3, 000, 000	3, 000, 000	-----	-----
National Gallery of Art, salaries and expenses-----	1, 275, 000	1, 300, 000	1, 300, 000	+ 25, 000	-----
Total, Smithsonian Institution-----	4, 275, 000	4, 300, 000	4, 300, 000	+ 25, 000	-----
SUBVERSIVE ACTIVITIES BOARD					
Salaries and expenses-----	²¹ 350, 000	300, 000	²² 150, 000	- 200, 000	- 150, 000
TARIFF COMMISSION					
Salaries and expenses-----	1, 291, 375	1, 327, 000	1, 250, 000	- 41, 375	- 77, 000
TENNESSEE VALLEY AUTHORITY					
Salaries, expenses, and construction-----	188, 371, 000	141, 800, 000	103, 582, 000	- 84, 789, 000	- 38, 218, 000
Resource development-----	²³ 175, 000	(²⁴)	(²⁴)	- 175, 000	-----
Total, Tennessee Valley Authority--	188, 546, 000	141, 800, 000	103, 582, 000	- 84, 964, 000	- 38, 218, 000
THE TAX COURT OF THE UNITED STATES					
Salaries and expenses-----	^b 995, 000	1, 000, 000	1, 000, 000	+ 5, 000	-----

^b Includes amounts in Third Supplemental Appropriation bill, as passed the House.

¹⁷ Contained in the Supplemental Appropriation Act, 1954, and \$1,750,000 to be transferred from Revolving Fund.

¹⁸ And \$1,650,000 to be transferred from Revolving Fund.

¹⁹ Plus \$100,000 of unobligated balances available on June 30, 1954, and transfer of \$1,650,000 from Revolving Fund.

²⁰ Revolving Fund, SDPA, continued available during fiscal year 1955.

²¹ Includes \$150,000 contained in the Supplemental Appropriation Act, 1954.

²² And not to exceed \$81,000 of unobligated funds available on June 30, 1954.

²³ And in addition \$675,000 from proceeds derived from operations.

²⁴ Consolidated in the above appropriation.

Comparative statement of appropriations for 1954, estimates for 1955, and amounts recommended in the bill for 1955—Con.

Item	Appropriations, 1954	Budget estimates, 1955	Recommended in bill for 1955	Bill compared with—	
				1954 appropriation	1955 estimates
INDEPENDENT OFFICES—Continued					
VETERANS' ADMINISTRATION					
General operating expenses-----	\$193, 531, 000	\$164, 700, 000	\$163, 922, 300	—\$29, 608, 700	—\$777, 700
Medical administration and miscellaneous operating expenses-----	14, 870, 400	14, 654, 000	14, 654, 000	—216, 400	-----
Inpatient care-----	-----	-----	²⁶ 590, 992, 500	+590, 992, 500	+590, 992, 500
Maintenance and operation of hospitals-----	²⁵ 548, 000, 000	²⁶ 554, 128, 000	(²⁷)	—548, 000, 000	—554, 128, 000
Contract hospitalization-----	20, 583, 100	18, 891, 000	(²⁷)	—20, 583, 100	—18, 891, 000
Maintenance and operation of domiciliary facilities-----	24, 248, 200	24, 236, 000	(²⁷)	—24, 248, 200	—24, 236, 000
Outpatient care-----	92, 677, 900	76, 744, 000	76, 744, 000	—15, 933, 900	-----
Maintenance and operation of supply depots-----	1, 800, 000	1, 654, 000	1, 654, 000	—146, 000	-----
Compensation and pensions-----	²⁶ 2, 461, 291, 000	2, 535, 000, 000	2, 435, 000, 000	—26, 291, 000	—100, 000, 000
Readjustment benefits-----	664, 311, 000	387, 000, 000	387, 000, 000	—277, 311, 000	-----
Military and naval insurance-----	1, 496, 000	4, 932, 000	4, 932, 000	+3, 436, 000	-----
Hospital and domiciliary facilities-----	17, 500, 000	39, 000, 000	39, 000, 000	+21, 500, 000	-----

Hospital and domiciliary facilities (liquidation of contract authorization)-----	21, 185, 664	0	-----	-21, 185, 664	-----
National service life insurance-----	75, 000, 000	36, 570, 000	30, 570, 000	-44, 430, 000	-6, 000, 000
Servicemen's indemnities-----	6 25, 000, 000	30, 000, 000	30, 000, 000	+5, 000, 000	-----
Grants to the Republic of the Philippines----	28 1, 731, 000	1, 564, 000	1, 564, 000	-167, 000	-----
Major alterations, improvements, and repairs-----	0	3, 400, 000	3, 400, 000	+3, 400, 000	-----
Veterans' miscellaneous benefits-----	35, 743, 000	0	-----	-35, 743, 000	-----
Total, Veterans' Administration-----	4, 198, 968, 264	3, 892, 473, 000	3, 779, 432, 800	-419, 535, 464	-113, 040, 200
WAR CLAIMS COMMISSION					
Payment of claims-----	(29)	(29)	(29)	-----	-----
Administrative expenses-----	(30)	(31)	(31)	-----	-----
Total, title I, Executive Office of the President and independent offices-----	5, 941, 287, 163	5, 929, 723, 600	5, 566, 118, 763	-375, 168, 400	-363, 604, 837

^b Includes amounts in Third Supplemental Appropriation bill, as passed the House.

²⁵ And in addition \$7,000,000 from reimbursements for services performed for other Government agencies and individuals.

²⁶ And in addition \$7,134,500 from reimbursements for services performed for other Government agencies and individuals.

²⁷ Consolidated in above appropriation.

²⁸ And reappropriation of \$769,000 of prior year unobligated balances.

²⁹ Funds deposited in the Treasury to the credit of the war claims fund available for the payment of claims.

³⁰ Amount of \$850,000 available from war claims fund for administrative expenses.

³¹ Amount of \$515,000 available from war claims fund for administrative expenses.

ADMINISTRATIVE EXPENSES

[Limitations on amounts of corporate funds to be expended]

Corporation or Agency	Authorizations, 1954	Budget estimates, 1955	Recommended in bill for 1955	Bill compared with—	
				1954 appropriation	1955 estimates
Housing and Home Finance Agency:					
Federal National Mortgage Association-----	\$3, 250, 000	\$3, 350, 000	\$3, 238, 000	—\$12, 000	—\$112, 000
Housing loan programs-----	525, 625	375, 000	375, 000	—150, 625	-----
Revolving Fund (liquidating programs)-----	0	340, 000	3, 940, 000	+3, 940, 000	+3, 600, 000
Home Loan Bank Board-----	775, 000	787, 000	775, 000	-----	—12, 000
Federal Savings and Loan Insurance Corporation-----	455, 000	455, 000	455, 000	-----	-----
Expenses, liquidation of Home Owners' Loan Corporation-----	(¹)	-----	-----	-----	-----
Federal Housing Administration-----	5, 322, 800	5, 350, 000	5, 000, 000	—322, 800	—350, 000
Public Housing Administration-----	² 10, 975, 000	³ 11, 500, 000	6, 950, 000	—4, 025, 000	—4, 550, 000
Total-----	21, 303, 425	22, 157, 000	20, 733, 000	—570, 425	—1, 424, 000

¹ \$10,000 continued available to complete final liquidation on Oct. 31, 1953.² Amount includes \$6,950,000 of funds appropriated in title I.³ Amount includes estimate for an appropriation of \$7,900,000.

PERMANENT AND INDEFINITE ANNUAL APPROPRIATIONS

Object	Appropriations, 1954	Estimates, 1955	Increase (+) or decrease (-)
Federal Power Commission: Payments to States under Federal Power Act-----	\$32, 498	\$41, 379	+\$8, 881

○

Union Calendar No. 531

83^D CONGRESS
2^D SESSION

H. R. 8583

[Report No. 1428]

IN THE HOUSE OF REPRESENTATIVES

MARCH 26, 1954

Mr. PHILLIPS, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

Making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1955, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the Execu-
5 tive Office and sundry independent executive bureaus, boards,

1 commissions, corporations, agencies, and offices, for the
2 fiscal year ending June 30, 1955, namely:

3 TITLE I

4 EXECUTIVE OFFICE OF THE PRESIDENT

5 COMPENSATION OF THE PRESIDENT

6 For compensation of the President, including an expense
7 allowance at the rate of \$50,000 per annum, as authorized
8 by the Act of January 19, 1949 (3 U. S. C. 102),
9 \$150,000.

10 THE WHITE HOUSE OFFICE

11 Salaries and expenses: For expenses necessary for The
12 White House Office, including not to exceed \$215,000 for
13 services as authorized by section 15 of the Act of August 2,
14 1946 (5 U. S. C. 55a), at such per diem rates for individuals
15 as the President may specify, and other personal services
16 without regard to the provisions of law regulating the
17 employment and compensation of persons in the Government
18 service; newspapers, periodicals, teletype news service, and
19 travel and official entertainment expenses of the President,
20 to be accounted for solely on his certificate; \$1,895,000.

21 EXECUTIVE MANSION AND GROUNDS

22 For the care, maintenance, repair and alteration, refur-
23 nishing, improvement, heating and lighting, including elec-

1 tric power and fixtures, of the Executive Mansion and the
2 Executive Mansion grounds, and traveling expenses, to be
3 expended as the President may determine, notwithstanding
4 the provisions of this or any other Act, \$366,200.

5 BUREAU OF THE BUDGET

6 Salaries and expenses: For expenses necessary for the
7 Bureau of the Budget, including newspapers and periodicals
8 (not exceeding \$200) ; teletype news service (not exceed-
9 ing \$900) ; not to exceed \$70,000 for expenses of travel;
10 and not to exceed \$20,000 for services as authorized by sec-
11 tion 15 of the Act of August 2, 1946 (5 U. S. C. 55a) , at
12 rates not to exceed \$50 per diem for individuals; \$3,382,500:
13 *Provided*, That the Bureau of the Budget is authorized, with-
14 out regard to section 505 of the Classification Act of 1949,
15 to place two additional positions in grade GS-18 and two ad-
16 ditional positions in grade GS-17 of the General Schedule
17 established by said Act.

18 COUNCIL OF ECONOMIC ADVISERS

19 Salaries and expenses: For necessary expenses of the
20 Council in carrying out its functions under the Employment
21 Act of 1946 (15 U. S. C. 1021) , including newspapers and
22 periodicals (not exceeding \$200) ; not exceeding \$15,000
23 for expenses of travel; and press clippings (not exceeding

1 \$300) ; \$250,000, together with the unobligated balance
2 of funds appropriated for this purpose in the "Supplemental
3 Appropriation Act, 1954".

4 NATIONAL SECURITY COUNCIL

5 Salaries and expenses: For expenses necessary for the
6 National Security Council, including services as authorized
7 by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a) ,
8 at rates not in excess of \$50 per diem for individuals; ac
9 ceptance and utilization of voluntary and uncompensated
10 services; and expenses of attendance at meetings concerned
11 with work related to the activity of the Council; \$200,000.

12 OFFICE OF DEFENSE MOBILIZATION

13 Salaries and expenses: For expenses necessary for the
14 Office of Defense Mobilization, including newspapers and
15 periodicals (not exceeding \$500) ; hire of passenger motor
16 vehicles; reimbursement of the General Services Adminis-
17 tration for security guard service; and expenses of attendance
18 at meetings concerned with the purposes of this appropria-
19 tion; \$2,134,000, of which \$134,000 shall be available for
20 the Interdepartmental Radio Advisory Committee: *Provided*,
21 That contracts for not to exceed eight persons under this
22 appropriation for temporary or intermittent services as au-
23 thorized by section 15 of the Act of August 2, 1946 (5
24 U. S. C. 55a) , may be renewed annually.

1 FUNDS APPROPRIATED TO THE PRESIDENT

2 EMERGENCY FUND FOR THE PRESIDENT

3 NATIONAL DEFENSE

4 For expenses necessary to enable the President, through
5 such officers or agencies of the Government as he may
6 designate, and without regard to such provisions of law
7 regarding the expenditure of Government funds or the com-
8 pensation and employment of persons in the Government
9 service as he may specify, to provide in his discretion for
10 emergencies affecting the national interest, security, or de-
11 fense which may arise at home or abroad during the current
12 fiscal year, \$150,000, together with not to exceed \$600,000
13 of the unobligated balance in such fund on June 30, 1954:
14 *Provided*, That no part of this appropriation shall be avail-
15 able for allocation to finance a function or project for which
16 function or project a budget estimate of appropriation was
17 transmitted pursuant to law during the Eighty-third Con-
18 gress, second session, and Eighty-fourth Congress, first ses-
19 sion, and such appropriation denied after consideration
20 thereof by the Senate or House of Representatives or by
21 the Committee on Appropriations of either body.

22 EXPENSES OF MANAGEMENT IMPROVEMENT

23 For expenses necessary to assist the President in improv-
24 ing the management of executive agencies and in obtaining

1 greater economy and efficiency through the establishment
2 of more efficient business methods in Government operations,
3 including services as authorized by section 15 of the Act of
4 August 2, 1946 (5 U. S. C. 55a), at rates for individuals
5 not to exceed \$50 per diem, by allocation to any agency or
6 office in the executive branch for the conduct, under the
7 general direction of the Bureau of the Budget, of examina-
8 tions and appraisals of, and the development and installation
9 of improvements in, the organization and operations of such
10 agency or of other agencies in the executive branch,
11 \$250,000, to remain available until expended, and
12 which shall be available without regard to the provisions of
13 subsection (c) of section 3679 of the Revised Statutes, as
14 amended.

15 INDEPENDENT OFFICES

16 AMERICAN BATTLE MONUMENTS COMMISSION

17 Salaries and expenses: For necessary expenses, as
18 authorized by the Act of June 26, 1946 (36 U. S. C. 121,
19 123-132, 138), including the acquisition of land or interest
20 in land in foreign countries; purchase and repair of uni-
21 forms for caretakers of national cemeteries and monuments
22 outside of the United States and its Territories and posses-
23 sions at a cost not exceeding \$500; not to exceed \$12,000
24 for expenses of travel; rent of office and garage space in
25 foreign countries; purchase of one passenger motor vehicle

1 for replacement only; and insurance of official motor vehicles
2 in foreign countries when required by law of such countries;
3 \$775,000: *Provided*, That where station allowance has
4 been authorized by the Department of the Army for officers
5 of the Army serving the Army at certain foreign stations,
6 the same allowance shall be authorized for officers of the
7 Armed Forces assigned to the Commission while serving
8 at the same foreign stations, and this appropriation is hereby
9 made available for the payment of such allowance: *Pro-*
10 *vided further*, That when traveling on business of the Com-
11 mission, officers of the Armed Forces serving as members or
12 as secretary of the Commission may be reimbursed for ex-
13 penses as provided for civilian members of the Commission:
14 *Provided further*, That the Commission may reimburse other
15 Government agencies, including the Armed Forces, for sal-
16 ary, pay, and allowances of personnel assigned to it.

17 Construction of memorials and cemeteries: For expenses
18 necessary for the permanent design and construction of
19 memorials and cemeteries in foreign countries as authorized
20 by the Act of June 26, 1946 (36 U. S. C. 121, 123-132,
21 138b), and the Act of August 5, 1947 (50 U. S. C. App.
22 1819), including purchase of one passenger motor vehicle for
23 replacement only, and not to exceed \$41,276 for expenses of
24 travel, \$3,500,000, to remain available until expended:
25 *Provided*, That the Commission is hereby authorized to erect

1 such works of architecture and art in the National Memorial
2 Cemetery of the Pacific as may be determined by the Com-
3 mission with the consent of the Secretary of the Army.

4 ATOMIC ENERGY COMMISSION

5 Operating expenses: For necessary operating expenses
6 of the Commission in carrying out the purposes of the Atomic
7 Energy Act of 1946, including the employment of aliens;
8 services authorized by section 15 of the Act of August 2,
9 1946 (5 U. S. C. 55a) ; maintenance and operation of air-
10 craft; publication and dissemination of atomic information;
11 purchase, repair, and cleaning of uniforms; purchase of
12 newspapers and periodicals (not to exceed \$5,000) ; official
13 entertainment expenses (not to exceed \$5,000) ; not to
14 exceed \$2,564,130 for expenses of travel; reimbursement of
15 the General Services Administration for security guard serv-
16 ices; not to exceed \$37,232,900 for personal services; and
17 hire of passenger motor vehicles; \$1,093,462,300, together
18 with the unexpended balances, as of June 30, 1954, of prior
19 year appropriations made available under this head to the
20 Atomic Energy Commission: *Provided*, That of such amounts
21 \$100,000 may be expended for objects of a confidential
22 nature and in any such case the certificate of the Commission
23 as to the amount of the expenditure and that it is deemed
24 inadvisable to specify the nature thereof shall be deemed
25 a sufficient voucher for the sum therein expressed to have

1 been expended: *Provided further*, That from this appropria-
2 tion transfers of sums may be made to other agencies of the
3 Government for the performance of the work for which this
4 appropriation is made, and in such cases the sums so trans-
5 ferred may be merged with the appropriation to which trans-
6 ferred: *Provided further*, That no part of this appropriation
7 shall be used to pay the salary of any officer or employee
8 (except such officers and employees whose compensation is
9 fixed by law, and scientific and technical personnel) whose
10 position would be subject to the Classification Act of 1949,
11 as amended, if such Act were applicable to such position, at
12 a rate in excess of the rate payable under such Act for posi-
13 tions of equivalent difficulty or responsibility: *Provided*
14 *further*, That no part of this appropriation shall be used in
15 connection with the payment of a fixed fee to any contractor
16 or firm of contractors engaged under a cost-plus-a-fixed-fee
17 contract or contracts at any installation of the Commission,
18 where that fee for community management is at a rate in
19 excess of \$90,000 per annum, or for the operation of a trans-
20 portation system where that fee is at a rate in excess of
21 \$45,000 per annum.

22 Plant and equipment: For expenses of the Commission
23 in connection with the purchase and construction of plant
24 and the acquisition of equipment and other expenses inci-

1 dental thereto necessary in carrying out the purposes of the
2 Atomic Energy Act of 1946, including purchase of land and
3 interests in land; purchase of aircraft; purchase (not to
4 exceed two hundred and fifty-eight for replacement only)
5 and hire of passenger motor vehicles; \$96,498,400, to re-
6 main available until expended: *Provided*, That the un-
7 expended balances of prior year appropriations made avail-
8 able under this head shall be merged with this appropriation:
9 *Provided further*, That in addition to funds allocated for
10 research and development for reactors the Commission may
11 expend from funds provided under this head such sum as
12 may be necessary, not to exceed \$7,000,000, for beginning
13 of research or construction of such reactors, without regard
14 to any other provision of this Act: *Provided further*, That no
15 part of the foregoing appropriation shall be available for the
16 construction of any office building, residence, warehouse or
17 similar structure, utility, or other specific portion or unit of a
18 project, unless funds are available for the completion of such
19 building, utility, or other specific portion or unit of such project.
20 The foregoing proviso shall not be construed to prevent the pur-
21 chase of land for any project, the construction of any new
22 building or procurement of any machinery, equipment or
23 materials therefor, nor any utility nor any portion or unit of
24 a specific project if the funds are available to pay the cost of
25 such land, the cost of such building, machinery, equipment

1 or materials, or the cost of such utility or the cost of any
2 such specific portion or unit of such project: *Provided*
3 *further*, That no part of this appropriation shall be used—

4 (A) to start any new construction project for which
5 an estimate was not included in the budget for the
6 current fiscal year unless it be a substitute therefor
7 within the limits of cost included in the budget; and

8 (B) to start any new construction project the
9 currently estimated cost of which exceeds by thirty-
10 five per centum the estimated cost included therefor
11 in such budget.

12 No part of the appropriations herein made to the Atomic
13 Energy Commission shall be available for payments under
14 any contract hereafter negotiated without advertising by the
15 Commission, except contracts with any foreign government
16 or any agency thereof and contracts for source material with
17 foreign producers, unless such contract includes a clause to
18 the effect that the Comptroller General of the United States
19 or any of his duly authorized representatives shall until the
20 expiration of three years after final payment have access
21 to and the right to examine any directly pertinent books,
22 documents, papers, and records of the contractor or any
23 of his subcontractors engaged in the performance of and
24 involving transactions related to such contracts or subcon-
25 tracts: *Provided*, That no part of such appropriations shall

1 be available for payments under any such contract which
2 includes any provision precluding an audit by the General
3 Accounting Office of any transaction under such contract.

4 Any appropriation available under this Act or hereto-
5 fore made to the Atomic Energy Commission may initially
6 be used subject to limitations in this Act during the fiscal
7 year 1955 to finance the procurement of materials, services,
8 or other costs which are a part of work or activities for which
9 funds have been provided in any other appropriation avail-
10 able to the Commission: *Provided*, That appropriate transfers
11 or adjustments between such appropriations shall subse-
12 quently be made for such costs on the basis of actual appli-
13 cation determined in accordance with generally accepted
14 accounting principles.

15 Not to exceed 5 per centum of any appropriation under
16 this head may be transferred to any other such appropria-
17 tion but no such appropriation shall be increased by more
18 than 5 per centum by any such transfers, and any such
19 transfers shall be reported promptly to the appropriations
20 committees of the House and Senate.

21 No part of any appropriation herein made to the
22 Atomic Energy Commission shall be used to confer a fellow-
23 ship on any person who advocates or who is a member of an
24 organization or party that advocates the overthrow of the
25 Government of the United States by force or violence or with

1 respect to whom the Commission finds, upon investigation
2 and report by the Civil Service Commission on the char-
3 acter, associations, and loyalty of whom, that reasonable
4 grounds exist for belief that such person is disloyal to the
5 Government of the United States: *Provided*, That any per-
6 son who advocates or who is a member of an organization
7 or party that advocates the overthrow of the Government
8 of the United States by force or violence and accepts em-
9 ployment or a fellowship the salary, wages, stipend, grant,
10 or expenses for which are paid from any appropriation con-
11 tained herein shall be guilty of a felony and, upon convic-
12 tion, shall be fined not more than \$1,000 or imprisoned
13 for not more than one year, or both: *Provided further*,
14 That the above penal clause shall be in addition to, and not
15 in substitution for, any other provisions of existing law.

16 CIVIL SERVICE COMMISSION

17 Salaries and expenses: For necessary expenses, in-
18 cluding not to exceed \$29,000 for services as authorized
19 by section 15 of the Act of August 2, 1946 (5 U. S. C.
20 55a); not to exceed \$10,000 for medical examinations
21 performed for veterans by private physicians on a fee
22 basis; travel expenses of examiners acting under the direc-
23 tion of the Commission, and expenses of examinations and
24 investigations held in Washington and elsewhere; not to
25 exceed \$100 for the purchase of newspapers and periodicals

1 (excluding scientific, technical, trade or traffic periodicals,
2 for official use) ; payment in advance for library member-
3 ship in societies whose publications are available to members
4 only or to members at a price lower than to the general
5 public; not to exceed \$65,000 for performing the duties
6 imposed upon the Commission by the Act of July 19,
7 1940 (54 Stat. 767) ; reimbursement of the General Services
8 Administration for security guard services for protection of
9 confidential files; not to exceed \$443,000 for expenses
10 of travel; and not to exceed \$5,000 for actuarial services
11 by contract, without regard to section 3709, Revised
12 Statutes, as amended; \$15,575,600: *Provided*, That no
13 details from any executive department or independent estab-
14 lishment in the District of Columbia or elsewhere to the Com-
15 mission's central office in Washington or to any of its
16 regional offices shall be made during the current fiscal year,
17 but this shall not affect the making of details for service as
18 members of the boards of examiners outside the immediate
19 offices of the Commission in Washington or of the regional
20 directors, nor shall it affect the making of details of persons
21 qualified to serve as expert examiners on special subjects:
22 *Provided further*, That the Civil Service Commission shall
23 have power in case of emergency to transfer or detail any
24 of its employees to or from its office or field force.

25 No part of the appropriations herein made to the Civil

1 Service Commission shall be available for the salaries and
2 expenses of the Legal Examining Unit in the Examining
3 and Personnel Utilization Division of the Commission,
4 established pursuant to Executive Order 9358 of July
5 1, 1943, or for the compensation or expenses of any
6 member of a board of examiners (1) who has not made
7 affidavit that he has not appeared in any agency proceeding
8 within the preceding two years, and will not thereafter while
9 a board member appear in any agency proceeding, as a
10 party, or in behalf of a party to the proceeding, before an
11 agency in which an applicant is employed who has been
12 rated or will be rated by such member; or (2) who, after
13 making such affidavit, has rated an applicant who at the
14 time of the rating is employed by an agency before which
15 the board member has appeared as a party, or in behalf of a
16 party, within the preceding two years: *Provided*, That the
17 definitions of "agency", "agency proceeding", and "party"
18 in section 2 of the Administrative Procedure Act shall apply
19 to these terms as used herein.

20 No part of appropriations herein shall be used to pay
21 the compensation of officers and employees of the Civil
22 Service Commission who allocate or reallocate supervisory
23 positions in the classified civil service solely on the size of
24 the group, section, bureau, or other organization unit, or
25 on the number of subordinates supervised. References

1 to size of the group, section, bureau, or other organization
2 unit or the number of subordinates supervised may be given
3 effect only to the extent warranted by the workload of
4 such organization unit and then only in combination with
5 other factors, such as the kind, difficulty, and complexity of
6 work supervised, the degree and scope of responsibility
7 delegated to the supervisor, and the kind, degree, and value
8 of the supervision actually exercised.

9 Investigations of United States citizens for employment
10 by international organizations: For expenses necessary to
11 carry out the provisions of Executive Order No. 10422 of
12 January 9, 1953, as amended, prescribing procedures for
13 making available to the Secretary General of the United
14 Nations, and the executive heads of other international
15 organizations, certain information concerning United States
16 citizens employed, or being considered for employment by
17 such organizations, \$400,000: *Provided*, That this appro-
18 priation shall be available for advances or reimbursements
19 to the applicable appropriations or funds of the Civil Service
20 Commission and the Federal Bureau of Investigation for
21 expenses incurred by such agencies under said Executive
22 order: *Provided further*, That members of the International
23 Organizations Employees Loyalty Board may be paid actual
24 transportation expenses, and per diem in lieu of subsistence

1 authorized by the Travel Expense Act of 1949 while travel-
2 ing on official business away from their homes or regular
3 places of business, including periods while en route to and
4 from and at the place where their services are to be per-
5 formed: *Provided further*, That nothing in sections 281 or
6 283 of title 18, United States Code, or in section 190 of
7 the Revised Statutes (5 U. S. C. 99) shall be deemed to
8 apply to any person because of appointment for part-time
9 or intermittent service as a member of the International
10 Organizations Employees Loyalty Board in the Civil Service
11 Commission as established by Executive Order 10422,
12 dated January 9, 1953, as amended.

13 Annuities, Panama Canal construction employees and
14 Lighthouse Service widows: For payment of annuities
15 authorized by the Act of May 29, 1944, as amended (48
16 U. S. C. 1373a), and the Act of August 19, 1950 (64 Stat.
17 465), \$2,354,000.

18 Payment to the civil-service retirement and disability
19 fund for increases in annuities provided by the Act of July
20 16, 1952: For payment to the "civil-service retirement and
21 disability fund" for the cost, as heretofore determined by the
22 Civil Service Commission, of increases in annuities provided
23 by the Act of July 16, 1952 (66 Stat. 723), for the fiscal
24 year 1955, \$29,623,000.

1 **FEDERAL COMMUNICATIONS COMMISSION**

2 Salaries and expenses: For necessary expenses in per-
3 forming the duties of the Commission as authorized by law,
4 including newspapers (not to exceed \$175), land and
5 structures (not to exceed \$4,000), special counsel fees,
6 improvement and care of grounds and repairs to buildings
7 (not to exceed \$16,000), services as authorized by section
8 15 of the Act of August 2, 1946 (5 U. S. C. 55a), purchase
9 of not to exceed nine passenger motor vehicles, for replace-
10 ment only, in the event adequate vehicles cannot be obtained
11 by transfer from other departments or agencies, and not to
12 exceed \$90,000 for expenses of travel, \$6,544,400, together
13 with not to exceed \$150,000 of the unobligated balance of
14 funds appropriated for this purpose in the "First Independent
15 Offices Appropriation Act, 1954".

16 **FEDERAL POWER COMMISSION**

17 Salaries and expenses: For expenses necessary for the
18 work of the Commission, as authorized by law, including
19 not to exceed \$220,000 for expenses of travel; purchase
20 (one for replacement only) and hire of passenger motor
21 vehicles; and not to exceed \$500 for newspapers; \$4,150,-
22 000, of which not to exceed \$10,000 shall be avail-
23 able for special counsel and services as authorized by section
24 15 of the Act of August 2, 1946 (5 U. S. C. 55a), but at
25 rates not exceeding \$50 per diem for individuals.

FEDERAL TRADE COMMISSION

Salaries and expenses: For necessary expenses of the Federal Trade Commission, including not to exceed \$500 for newspapers, services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), and not to exceed \$140,000 for expenses of travel, \$4,030,700: *Provided*, That no part of the foregoing appropriation shall be expended upon any investigation hereafter provided by concurrent resolution of the Congress until funds are appropriated subsequently to the enactment of such resolution to finance the cost of such investigation: *Provided further*, That no part of the foregoing appropriation shall be available for a statistical analysis of the consumer's dollar.

GENERAL ACCOUNTING OFFICE

Salaries and expenses: For necessary expenses of the General Accounting Office, including newspapers and periodicals (not exceeding \$500), and services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), \$31,981,000: *Provided*, That the fourth paragraph under the heading "General Accounting Office" in Public Law 137, approved August 31, 1951 (65 Stat. 274), as amended by Public Law 455, approved July 5, 1952 (66 Stat. 399), is further amended by changing "four positions in grade GS-18" to "five positions in grade GS-18", and "thirteen positions in grade GS-16" to "twelve positions in grade GS-16".

1 GENERAL SERVICES ADMINISTRATION

2 Operating expenses, Public Buildings Service: For
3 necessary expenses of real property management and related
4 activities as provided by law; repair and improvement of
5 public buildings and grounds (including furnishings and
6 equipment) under the control of the General Services Admin-
7 istration; rental of buildings in the District of Columbia;
8 restoration of leased premises; moving Government agencies
9 in connection with the assignment, allocation, and transfer of
10 building space; demolition of buildings; acquisition by pur-
11 chase or otherwise and disposal by sale or otherwise of real
12 estate and interests therein; and not to exceed \$182,000 for
13 expenses of travel; \$94,460,000: *Provided*, That the fore-
14 going appropriation shall not be available to effect the moving
15 of Government agencies from the District of Columbia into
16 buildings acquired to accomplish the dispersal of depart-
17 mental functions of the executive establishment into areas
18 outside of but accessible to the District of Columbia.

19 Emergency operating expenses: For necessary emer-
20 gency expenses of the General Services Administration
21 not otherwise provided for, for operation, maintenance,
22 protection, repair, alterations, and improvements of public
23 buildings and grounds (including furnishings and equip-
24 ment) to the extent that such buildings and grounds are
25 under the control of the General Services Administration

1 for such purposes as are provided for in Public Law 152,
2 Eighty-first Congress, as amended; rental of buildings or
3 parts thereof in the District of Columbia and elsewhere,
4 including repairs, alterations, and improvements necessary
5 for proper use by the Government, without regard to section
6 322 of the Act of June 30, 1932, as amended (40 U. S. C.
7 278a) ; restoration of leased premises; moving Government
8 agencies in connection with the assignment, allocation, and
9 transfer of building space; and not to exceed \$24,300 for
10 expenses of travel; \$15,647,000: *Provided*, That of this
11 amount, such sums as may be determined by the General
12 Services Administrator to be necessary may be paid into
13 other appropriations of the General Services Administration
14 only for purposes of accounting: *Provided further*, That no
15 part of this appropriation shall be available to effect the
16 moving of Government agencies from the District of Columbia
17 to accomplish the dispersal of departmental functions.

18 Repair, improvement, and equipment of federally owned
19 buildings outside the District of Columbia: For expenses
20 necessary for the repair, alteration, preservation, renovation,
21 improvement, equipment, and demolition of federally owned
22 buildings outside the District of Columbia, not otherwise pro-
23 vided for, including grounds, approaches and appurtenances,
24 wharves and piers, together with the necessary dredging
25 adjacent thereto; acquisition of land as authorized by title

1 III of the Act of June 16, 1949 (40 U. S. C. 297) ;
2 not to exceed \$100,000 for expenses of travel; and care and
3 safeguarding of sites acquired for Federal buildings; \$12,-
4 000,000, to remain available until expended.

5 Operating expenses, Federal Supply Service: For neces-
6 sary expenses of personal property management and related
7 activities as provided by law; including not to exceed \$300
8 for the purchase of newspapers and periodicals; and not to
9 exceed \$40,600 for expenses of travel; \$2,600,000.

10 Expenses, general supply fund: For expenses necessary
11 for operation of the general supply fund (except those au-
12 thorized by law to be charged to said fund), including con-
13 tractual services incident to receiving, handling, and shipping
14 warehouse items; not to exceed \$250 for purchase of news-
15 papers and periodicals; and not to exceed \$93,100 for
16 expenses of travel; \$11,066,800: *Provided*, That during the
17 current fiscal year the general supply fund shall be available
18 for the purchase of not to exceed twelve passenger motor
19 vehicles for replacement only: *Provided further*, That funds
20 available to the General Services Administration for the
21 current fiscal year shall be available for the hire of passenger
22 motor vehicles.

23 Operating expenses, National Archives and Records
24 Service: For necessary expenses in connection with Federal
25 records management and related activities as provided by

1 law; and not to exceed \$30,750 for expenses of travel;
2 \$5,000,000, of which \$100,000 shall remain available until
3 expended for nitrate film conversion.

4 Administrative operations: For necessary expenses of
5 executive direction for activities under the control of the
6 General Services Administration, of administrative opera-
7 tions for activities under regular appropriations for "Oper-
8 ating expenses", and of processing and determining rene-
9 gotiation rebates; including not to exceed \$63,600 for
10 expenses of travel; and not to exceed \$250 for purchase
11 of newspapers and periodicals; \$3,789,500.

12 Refunds under Renegotiation Act: For refunds under
13 section 201 (f) of the Renegotiation Act of 1951, the
14 unobligated balance of the appropriations granted under
15 this head for the fiscal years 1952, 1953, and 1954, shall re-
16 main available until June 30, 1956: *Provided*, That to the
17 extent refunds are made from this appropriation of excessive
18 profits collected under the Renegotiation Act and retained by
19 the Reconstruction Finance Corporation, or its successors, or
20 any of its subsidiaries, the Reconstruction Finance Corpora-
21 tion, or its successors, or the appropriate subsidiary shall re-
22 imburse this appropriation.

23 Strategic and critical materials: Funds available for this
24 purpose during the current fiscal year shall be available for
25 personal services (not to exceed \$7,000,000), services as

1 authorized by section 15 of the Act of August 2, 1946
2 (5 U. S. C. 55a), and not to exceed \$139,000 of such funds.
3 shall be available for expenses of travel: *Provided*, That any
4 funds received as proceeds from sale or other disposition of
5 materials on account of the rotation of stocks under said Act
6 shall be deposited to the credit, and be available for expendi-
7 ture for the purposes, of this appropriation: *Provided further*,
8 That during the current fiscal year, there shall be no limita-
9 tion on the value of surplus strategic and critical materials
10 which, in accordance with subsection 6 (a) of the Act of
11 July 23, 1946 (50 U. S. C. 98e (a)), may be transferred to
12 stockpiles established in accordance with said Act: *Provided*
13 *further*, That no part of funds available shall be used for
14 construction of warehouses or tank storage facilities.

15 Strategic and critical materials (liquidation of contract
16 authorization): For liquidation of obligations incurred pur-
17 suant to authority heretofore granted under this head, to
18 enter into contracts for the purpose of the Strategic and
19 Critical Materials Stock Piling Act of July 23, 1946, not
20 to exceed \$27,600,000 may be expended from funds pre-
21 viously appropriated under the title "Strategic and critical
22 materials": *Provided*, That this amount may be disbursed
23 through the appropriation "Strategic and critical materials"
24 but shall be accounted for separately therein.

25 Hospital facilities in the District of Columbia (liquida-

tion of contract authorization) : For payment of obligations incurred pursuant to authority provided under the head “Hospital Center, District of Columbia”, in the Independent Offices Appropriation Act, 1949, to enter into contracts for construction, \$4,500,000, to remain available until expended: *Provided*, That this amount may be disbursed through the appropriation “Hospital facilities in the District of Columbia”, but shall be accounted for separately therein.

The appropriate foregoing appropriation to the General Services Administration shall be credited with (1) advances or reimbursements for salaries and administrative expenses chargeable against other appropriations of the General Services Administration, and such salaries and expenses may be paid from such foregoing appropriation; (2) cost of maintenance, upkeep, and repair included as part of rentals received from Government corporations pursuant to law (40 U. S. C. 129) ; (3) reimbursements for services performed in respect to bonds and other obligations under the jurisdiction of the General Services Administration, issued by public authorities, States, or other public bodies, and such services in respect to such bonds or obligations as the Administrator deems necessary and in the public interest may, upon the request and at the expense of the issuing agencies, be provided from the appropriate foregoing appropriation; and (4) appropriations

1 or funds available to other agencies, and transferred to the
2 General Services Administration, in connection with property
3 transferred to the General Services Administration pursuant
4 to the Act of July 2, 1948 (50 U. S. C. 451ff), and such
5 appropriations or funds may, with the approval of the Bureau
6 of the Budget, be so transferred.

7 During the current fiscal year, no part of any money
8 appropriated in this or any other Act shall be used during
9 any quarter of such fiscal year to purchase within the con-
10 tinental limits of the United States typewriting machines
11 (except bookkeeping and billing machines) at a price which
12 exceeds 90 per centum of the lowest net cash price, plus
13 applicable Federal excise taxes, accorded the most-favored
14 customer (other than the Government, the American
15 National Red Cross, and the purchasers of typewriting ma-
16 chines for educational purposes only) of the manufacturer
17 of such machines during the six-month period immediately
18 preceding such quarter: *Provided*, That the purchase, uti-
19 lization, and disposal of typewriting machines shall be per-
20 formed in accordance with the provisions of the Federal
21 Property and Administrative Services Act of 1949, as
22 amended.

1 HOUSING AND HOME FINANCE AGENCY

2 OFFICE OF THE ADMINISTRATOR

3 Salaries and expenses: For necessary expenses of the
4 Office of the Administrator, including rent in the District of
5 Columbia; services as authorized by section 15 of the Act
6 of August 2, 1946 (5 U. S. C. 55a); not to exceed
7 \$169,325 for expenses of travel; expenses of attendance at
8 meetings of organizations concerned with the work of the
9 agency; and transportation expenses and not to exceed \$25
10 per diem in lieu of subsistence, as authorized by section 5
11 of the Act of August 2, 1946 (5 U. S. C. 73b-2), for
12 persons serving without compensation as members of any
13 advisory committee established pursuant to title VI of the
14 Housing Act of 1949; \$2,668,500: *Provided*, That neces-
15 sary expenses of inspections and of providing representatives
16 at the site of projects being undertaken by local public agen-
17 cies pursuant to title I of the Housing Act of 1949 and of
18 projects financed through loans to educational institutions
19 authorized by title IV of the Housing Act of 1950, shall
20 be compensated by such agencies or institutions by the pay-
21 ment of fixed fees which in the aggregate will cover the costs
22 of rendering such services, and expenses for such purpose

1 shall be considered nonadministrative; and for the purpose
2 of providing such inspections, the Administrator may utilize
3 any agency and such agency may accept reimbursement or
4 payment for such services from such institutions or the Ad-
5 ministrator, and shall credit such amounts to the appropria-
6 tions or funds against which such charges have been made,
7 but such nonadministrative expenses shall not exceed
8 \$500,000.

9 Capital grants for slum clearance and urban redevelop-
10 ment: For an additional amount for payment of capital grants
11 as authorized by title I of the Housing Act of 1949, as
12 amended (42 U. S. C. 1453, 1456), \$39,000,000, to remain
13 available until expended: *Provided*, That no funds in this or
14 any other Act shall be available for payment of capital grants
15 under any contract involving the development or redevelop-
16 ment of a project for predominantly residential uses unless in-
17 cidental uses are restricted to those normally essential
18 for residential uses: *Provided further*, That before approv-
19 ing any local slum clearance program under title I of the
20 Housing Act of 1949, the Administrator shall give considera-
21 tion to the efforts of the locality to enforce local codes and
22 regulations relating to adequate standards of health, sanita-
23 tion, and safety for dwellings and to the feasibility of achiev-
24 ing slum clearance objectives through rehabilitation of
25 existing dwellings and areas: *Provided further*, That the

1 authority under title I of the National Housing Act shall be
2 used to the utmost in connection with slum rehabilitation
3 needs.

4 PUBLIC HOUSING ADMINISTRATION

5 Administrative expenses: For administrative expenses
6 of the Public Housing Administration, \$6,950,000, to be
7 merged with and expended under the authorization for such
8 expenses contained in title II of this Act.

9 Annual contributions: For the payment of annual con-
10 tributions to public housing agencies in accordance with
11 section 10 of the United States Housing Act of 1937, as
12 amended (42 U. S. C. 1410), \$63,950,000: *Provided*, That
13 except for payments required on contracts entered into prior
14 to April 18, 1940, no part of this appropriation shall be
15 available for payment to any public housing agency for
16 expenditure in connection with any low-rent housing project,
17 unless the public housing agency shall have adopted regula-
18 tions prohibiting as a tenant of any such project by rental or
19 occupancy any person other than a citizen of the United
20 States, but such prohibition shall not be applicable in the
21 case of a family of any serviceman or the family of any
22 veteran who has been discharged (other than dishonorably)
23 from, or the family of any serviceman who died in, the
24 Armed Forces of the United States within four years prior
25 to the date of application for admission to such housing:

1 *Provided further*, That all expenditures of this appropriation
2 shall be subject to audit and final settlement by the Comp-
3 troller General of the United States under the provisions of
4 the Budget and Accounting Act of 1921, as amended:
5 *Provided further*, That unless the governing body of the
6 locality agrees to its completion, no housing shall be author-
7 ized by the Public Housing Administration, or, if under
8 construction continue to be constructed, in any community
9 where the people of that community, by their duly elected
10 representatives, or by referendum, have indicated they do
11 not want it, and such community shall negotiate with the
12 Federal Government for the completion of such housing, or
13 its abandonment, in whole or in part, and shall agree to
14 repay to the Government the moneys expended prior to
15 the vote or other formal action whereby the community
16 rejected such housing project for any such projects not to
17 be completed plus such amount as may be required to pay
18 all costs and liquidate all obligations lawfully incurred by
19 the local housing authority prior to such rejection in con-
20 nection with any project not to be completed: *Provided*
21 *further*, That the record of expenditure of the Pub-
22 lic Housing Administration and of the local housing
23 authority on any public housing project shall be open to
24 examination by the responsible authorities of any commu-
25 nity in which such project is located, or by the local public

1 housing authority, or by any firm of public accountants
2 retained by either of the foregoing: *Provided further*, That
3 no housing unit constructed under the United States Housing
4 Act of 1937, as amended, shall be occupied by a person who
5 is a member of an organization designated as subversive by
6 the Attorney General: *Provided further*, That the foregoing
7 prohibition shall be enforced by the local housing authority,
8 and that such prohibition shall not impair or affect the
9 powers or obligations of the Public Housing Administration
10 with respect to the making of loans and annual contributions
11 under the United States Housing Act of 1937, as amended:
12 *Provided further*, That notwithstanding the provisions of the
13 United States Housing Act of 1937, as amended, the Public
14 Housing Administration shall not, with respect to projects
15 initiated after March 1, 1949, authorize during the fiscal
16 year 1955 the commencement of construction of in excess of
17 twenty thousand dwelling units.

18 REDUCTION IN APPROPRIATIONS

19 Defense housing: The sum of \$4,500,000 of funds
20 heretofore appropriated under this head is hereby rescinded,
21 and such amount shall be covered into the Treasury promptly
22 upon enactment of this Act: *Provided*, That the amount
23 hereby rescinded may be reduced by an amount determined
24 by the Administrator to be required as a reserve for over-
25 runs and contingencies in connection with projects hereto-

1 fore assigned for construction pursuant to Public Law 139
2 (Eighty-second Congress) .

3 INDIAN CLAIMS COMMISSION

4 Salaries and expenses: For expenses necessary to carry
5 out the purposes of the Act of August 13, 1946 (25 U. S. C.
6 70), creating an Indian Claims Commission, \$117,000, of
7 which not to exceed \$3,560 shall be available for expenses
8 of travel.

9 INTERSTATE COMMERCE COMMISSION

10 General expenses: For necessary expenses of the Inter-
11 state Commerce Commission not otherwise provided for, in-
12 cluding not to exceed \$5,000 for employment of special
13 counsel; services as authorized by section 15 of the Act
14 of August 2, 1946 (5 U. S. C. 55a), at rates not to ex-
15 ceed \$50 per diem for individuals; newspapers (not to ex-
16 ceed \$200) ; purchase of not to exceed twenty passenger
17 motor vehicles for replacement only; and not to exceed
18 \$260,000 for expenses of travel; \$9,816,000, of which
19 \$100,000 shall be available for valuations of pipelines and
20 \$1,100,000 shall be available for the Section of Complaints,
21 Bureau of Motor Carriers: *Provided*, That Joint Board mem-
22 bers and cooperating State commissioners may use Govern-
23 ment transportation requests when traveling in connection
24 with their duties as such.

25 Defense transport activities: For expenses necessary to

1 enable the Commissioner who is responsible for the super-
2 vision of the Bureau of Service to carry out functions dele-
3 gated to him under the Defense Production Act of 1950, as
4 amended, including expenses of attendance at meetings con-
5 cerned with the purposes of this appropriation, \$170,000.

6 Railroad safety and locomotive inspection: For expenses
7 necessary in the performance of functions relating to railroad
8 inspection and safety, including not to exceed \$290,000 for
9 expenses of travel, \$1,684,000.

10 INTERSTATE COMMISSION ON THE POTOMAC
11 RIVER BASIN

12 Contribution to Interstate Commission on the Potomac
13 River Basin: To enable the Secretary of the Treasury to
14 pay in advance to the Interstate Commission on the Po-
15 tomac River Basin the Federal contribution toward the ex-
16 penses of the Commission during the current fiscal year in
17 the administration of its business in the conservancy district
18 established pursuant to the Act of July 11, 1940 (54 Stat.
19 748), \$5,000.

20 NATIONAL ADVISORY COMMITTEE FOR
21 AERONAUTICS

22 Salaries and expenses: For necessary expenses of the
23 Committee, including one Director at not to exceed \$17,500
24 per annum so long as the position is held by the present

1 incumbent; contracts for the making of special investigations
2 and reports and for engineering, drafting and computing
3 services; equipment; not to exceed \$310,000 for expenses
4 of travel; maintenance and operation of aircraft; purchase
5 of two passenger motor vehicles for replacement only; not
6 to exceed \$100 for newspapers and periodicals; and services
7 as authorized by section 15 of the Act of August 2, 1946
8 (5 U. S. C. 55a) ; \$49,000,000, together with not to exceed
9 \$1,000,000 of the unobligated balance of funds appropriated
10 for this purpose in the "First Independent Offices Appro-
11 priation Act, 1954".

12 Construction and equipment: For construction and
13 equipment at laboratories and research stations of the Com-
14 mittee, \$4,349,000, to remain available until expended.

15 NATIONAL CAPITAL HOUSING AUTHORITY

16 Maintenance and operation of properties: For the main-
17 tenance and operation of properties under title I of the Dis-
18 trict of Columbia Alley Dwelling Authority Act, \$43,000:
19 *Provided*, That all receipts derived from sales, leases, or
20 other sources shall be covered into the Treasury of the United
21 States monthly: *Provided further*, That so long as funds are
22 available from appropriations for the foregoing purposes, the
23 provisions of section 507 of the Housing Act of 1950 (Public
24 Law 475, Eighty-first Congress), shall not be effective.

1 NATIONAL CAPITAL PLANNING COMMISSION

2 Salaries and expenses: For necessary expenses, as
3 authorized by the National Capital Planning Act of 1952
4 (66 Stat. 781), including services as authorized by section
5 15 of the Act of August 2, 1946 (5 U. S. C. 55a) ; not to
6 exceed \$100 for the purchase of newspapers and periodicals;
7 not to exceed \$6,000 for expenses of travel; payment in
8 advance for membership in societies whose publications
9 or services are available to members only or to members
10 at a price lower than to the general public; purchase
11 of one passenger motor vehicle for replacement only; and
12 transportation and not to exceed \$15 per diem in lieu of
13 subsistence, as authorized by section 5 of the Act of August
14 2, 1946 (5 U. S. C. 73b-2), for members of the Commis-
15 sion serving without compensation; \$143,000.

16 Land acquisition, National Capital park, parkway, and
17 playground system: As a final appropriation under authority
18 of the Act of May 29, 1930 (46 Stat. 482), as amended,
19 for necessary expenses for the National Capital Planning
20 Commission for completing acquisition of land for the park,
21 parkway, and playground system of the National Capital,
22 to remain available until expended, \$545,000, of which (a)
23 \$135,000 shall be available for the purposes of section 1
24 (a) of said Act of May 29, 1930, (b) \$126,000 shall be

1 available for the purposes of section 1 (b) thereof, and (c)
2 \$284,000 shall be available for the purposes of section 4
3 thereof: *Provided*, That not exceeding \$26,450 of the funds
4 available for land acquisition purposes shall be used during
5 the current fiscal year for necessary expenses of the Com-
6 mission (other than payments for land) in connection with
7 land acquisition.

8 NATIONAL SCIENCE FOUNDATION

9 Salaries and expenses: For expenses necessary to carry
10 out the purposes of the National Science Foundation Act
11 of 1950, as amended (42 U. S. C. 1861-1875), including
12 award of graduate fellowships; services as authorized by
13 section 15 of the Act of August 2, 1946 (5 U. S. C. 55a),
14 at rates not to exceed \$50 per diem for individuals; hire
15 of passenger motor vehicles; not to exceed \$89,500 for
16 expenses of travel; not to exceed \$150 for the purchase
17 of newspapers and periodicals; and reimbursement of the
18 General Services Administration for security guard services;
19 \$11,000,000, to remain available until expended.

20 RENEGOTIATION BOARD

21 Salaries and expenses: For necessary expenses of the
22 Renegotiation Board, including expenses of attendance at
23 meetings concerned with the purposes of this appropriation;
24 hire of passenger motor vehicles; not to exceed \$108,-
25 000 for expenses of travel; and services as authorized

1 by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a),
2 at rates not to exceed \$50 per diem for individuals;
3 \$4,500,000.

4 SECURITIES AND EXCHANGE COMMISSION

5 Salaries and expenses: For necessary expenses, includ-
6 ing not to exceed \$500 for the purchase of newspapers; not
7 to exceed \$125,000 for expenses of travel; and services as
8 authorized by section 15 of the Act of August 2, 1946
9 (5 U. S. C. 55a) ; \$4,700,000.

10 SELECTIVE SERVICE SYSTEM

11 Salaries and expenses: For expenses necessary for the
12 operation and maintenance of the Selective Service System,
13 as authorized by title I of the Universal Military Training
14 and Service Act (62 Stat. 604), as amended, including
15 services as authorized by section 15 of the Act of August 2,
16 1946 (5 U. S. C. 55a) ; not to exceed \$250 for the purchase
17 of newspapers and periodicals; not to exceed \$75,000 for ex-
18 penses of travel, National Administration, Planning, Training,
19 and Records Management; not to exceed \$190,000 for ex-
20 penses of travel, State Administration, Planning, Training,
21 and Records Servicing; \$92,500 for the National Selective
22 Service Appeal Board, of which not to exceed \$3,875 shall
23 be available for expenses of travel; and \$205,000 for the
24 National Advisory Committee on the Selection of Doctors,
25 Dentists, and Allied Specialists, of which not to exceed

1 \$30,000 shall be available for expenses of travel; \$29,-
2 003,063: *Provided*, That during the current fiscal year, the
3 President may exempt this appropriation from the provisions
4 of subsection (c) of section 3679 of the Revised Statutes,
5 as amended, whenever he deems such action to be necessary
6 in the interest of national defense.

7 Appropriations for the Selective Service System may
8 be used for the destruction of records accumulated under the
9 Selective Training and Service Act of 1940, as amended,
10 which are hereby authorized to be destroyed by the Director
11 of Selective Service after compliance with the procedures
12 for the destruction of records prescribed pursuant to the Rec-
13 ords Disposal Act of 1943, as amended (44 U. S. C. 366-
14 380) : *Provided*, That no records may be transferred to any
15 other agency without the approval of the Director of Selec-
16 tive Service.

17 SMALL BUSINESS ADMINISTRATION

18 Salaries and expenses: For necessary expenses, not
19 otherwise provided for, of the Small Business Administration,
20 including newspapers and periodicals (not exceeding \$500),
21 expenses of attendance at meetings concerned with the pur-
22 poses of this appropriation and hire of passenger motor
23 vehicles, \$2,025,000, together with not to exceed \$100,000
24 of the unobligated balance of funds appropriated for this
25 purpose in the Supplemental Appropriation Act, 1954; and

1 in addition, not to exceed \$1,650,000 may be transferred
2 to this appropriation from the Revolving Fund, Small Busi-
3 ness Administration, for administrative expenses in connec-
4 tion with activities financed under said Fund.

5 REVOLVING FUND, SMALL DEFENSE PLANTS

6 ADMINISTRATION

7 The Revolving Fund authorized by paragraph (2) of
8 subsection (a) of section 714 of the Defense Production
9 Act of 1950, as amended, shall remain available during the
10 fiscal year 1955 for payment of obligations and direct costs
11 under contracts entered into during the fiscal year 1953.

12 SMITHSONIAN INSTITUTION

13 Salaries and expenses, Smithsonian Institution: For all
14 necessary expenses for the preservation, exhibition, and
15 increase of collections from the surveying and exploring
16 expeditions of the Government and from other sources; for
17 the system of international exchanges between the United
18 States and foreign countries; for anthropological researches
19 among the American Indians and the natives of lands under
20 the jurisdiction or protection of the United States, independ-
21 ently or in cooperation with State, educational, and scientific
22 organizations in the United States, and the excavation and
23 preservation of archeological remains; for maintenance of
24 the Astrophysical Observatory and making necessary obser-
25 vations in high altitudes; for the administration of the

1 National Collection of Fine Arts; for the administration,
2 construction, and maintenance of laboratory and other
3 facilities on Barro Colorado Island, Canal Zone, under the
4 provisions of the Act of July 2, 1940, as amended by the
5 provisions of Reorganization Plan Numbered 3 of 1946; for
6 the maintenance and administration of a national air museum
7 as authorized by the Act of August 12, 1946 (20 U. S. C.
8 77) ; including not to exceed \$35,000 for services as author-
9 ized by section 15 of the Act of August 2, 1946 (5 U. S. C.
10 55a) ; not to exceed \$15,225 for expenses of travel; pur-
11 chase, repair, and cleaning of uniforms for guards and
12 elevator conductors; repairs and alterations of buildings
13 and approaches; and preparation of manuscripts, drawings,
14 and illustrations for publications; \$3,000,000.

15 Salaries and expenses, National Gallery of Art: For
16 the upkeep and operation of the National Gallery of Art,
17 the protection and care of the works of art therein, and
18 administrative expenses incident thereto, as authorized by
19 the Act of March 24, 1937 (50 Stat. 51), as amended by
20 the public resolution of April 13, 1939 (Public Resolution
21 9, Seventy-sixth Congress), including services as author-
22 ized by section 15 of the Act of August 2, 1946 (5 U. S. C.
23 55a) ; payment in advance when authorized by the treas-
24 urer of the Gallery for membership in library, museum, and

1 art associations or societies whose publications or services
2 are available to members only, or to members at a price
3 lower than to the general public; purchase, repair, and
4 cleaning of uniforms for guards and elevator operators;
5 purchase or rental of devices and services for protecting
6 buildings and contents thereof, and maintenance and repair
7 of buildings, approaches, and grounds; purchase of one pas-
8 senger motor vehicle, for replacement only; not to exceed
9 \$1,800 for expenses of travel; and not to exceed \$15,000
10 for restoration and repair of works of art for the National
11 Gallery of Art by contracts made, without advertising, with
12 individuals, firms, or organizations at such rates or prices
13 and under such terms and conditions as the Gallery may
14 deem proper; \$1,300,000.

15 SUBVERSIVE ACTIVITIES CONTROL BOARD

16 Salaries and expenses: For necessary expenses of the
17 Subversive Activities Control Board, including services as
18 authorized by section 15 of the Act of August 2, 1946 (5
19 U. S. C. 55a), not to exceed \$12,500 for expenses of travel,
20 and not to exceed \$100 for the purchase of newspapers and
21 periodicals, \$150,000, together with not to exceed \$81,000
22 of the unobligated balance of funds appropriated for this
23 purpose in the "First Independent Offices Appropriation
24 Act, 1954".

1 TARIFF COMMISSION

2 Salaries and expenses: For necessary expenses of the
3 Tariff Commission, including subscriptions to newspapers
4 (not to exceed \$200), not to exceed \$13,500 for
5 expenses of travel, and contract stenographic reporting
6 services as authorized by section 15 of the Act of August
7 2, 1946 (5 U. S. C. 55a), \$1,250,000: *Provided*, That
8 no part of this appropriation shall be used to pay the salary
9 of any member of the Tariff Commission who shall here-
10 after participate in any proceedings under sections 336,
11 337, and 338 of the Tariff Act of 1930, wherein he or any
12 member of his family has any special, direct, and pecuniary
13 interest, or in which he has acted as attorney or special
14 representative: *Provided further*, That no part of the fore-
15 going appropriation shall be used for making any special
16 study, investigation or report at the request of any other
17 agency of the executive branch of the government unless
18 reimbursement is made for the cost thereof.

19 TENNESSEE VALLEY AUTHORITY

20 For the purpose of carrying out the provisions of the
21 Tennessee Valley Authority Act of 1933, as amended (16
22 U. S. C., ch. 12A), including purchase (not to exceed one)
23 and hire, maintenance, and operation of aircraft, and pur-
24 chase (not to exceed one hundred for replacement
25 only) and hire of passenger motor vehicles, \$103,582,000,

1 to remain available until expended, and to be available for
2 the payment of obligations chargeable against prior appro-
3 priations: *Provided*, That no funds appropriated for the
4 Tennessee Valley Authority by this paragraph shall be used
5 for the maintenance or operation of any aircraft for passenger
6 service that is not specifically confined to the active opera-
7 tion of the official business of the Tennessee Valley Authority
8 by officers or employees of such Authority, and not to exceed
9 \$673,000 (exclusive of travel for work in connection with
10 the construction of transmission lines, dams, and steam
11 plants) of funds available to the Tennessee Valley Au-
12 thority shall be used for expenses of travel: *Provided*
13 *further*, That no part of funds available for expenditure by
14 this agency shall be used, directly or indirectly, to acquire
15 a building for use as an administrative office of the Tennessee
16 Valley Authority unless and until the Director of the Bu-
17 reau of the Budget, following a study of the advisability of
18 the proposed acquisition, shall advise the Committees on
19 Appropriations of the Senate and the House of Representa-
20 tives and the Tennessee Valley Authority that the acquisition
21 has his approval: *Provided further*, That there shall be avail-
22 able for resource development activities pursuant to the
23 Tennessee Valley Authority Act of 1933, as amended, not
24 to exceed \$600,000 to be derived from proceeds of operations
25 of the Tennessee Valley Authority: *Provided further*, That

1 hereafter the board of directors of the Tennessee Valley
2 Authority shall pay each year to miscellaneous receipts of the
3 Treasury from power revenues interest on the amounts
4 invested by the Authority in power-facility properties, includ-
5 ing construction in progress, from appropriations heretofore
6 and hereafter made to the Authority and on amounts equal to
7 the book value at the time of the transfer of power-facility
8 properties obtained from other Federal agencies without
9 reimbursement by the Authority, less amounts of capital
10 returned to the Treasury from such revenues. The rate of
11 interest shall be equal to the average rate of interest paid
12 by the Treasury of the United States, during the prior fiscal
13 year, on the public debt: *Provided further*, That no limita-
14 tion shall be placed by the Tennessee Valley Authority on
15 resale rates of power fixed by local distributors.

16 THE TAX COURT OF THE UNITED STATES

17 Salaries and expenses: For necessary expenses, includ-
18 ing contract stenographic reporting services and not to
19 exceed \$45,000 for travel expenses, \$1,000,000: *Provided*,
20 That travel expenses of the judges shall be paid upon the
21 written certificate of the judge.

22 VETERANS ADMINISTRATION

23 General operating expenses: For necessary operating
24 expenses of the Veterans Administration, not otherwise pro-
25 vided for, including expenses incidental to securing employ-

1 ment for war veterans; purchase of fifteen passenger motor
2 vehicles for replacement only; not to exceed \$6,000 for
3 newspapers and periodicals; not to exceed \$2,690,000 for
4 expenses of travel of employees; and not to exceed \$43,700
5 for preparation, shipment, installation, and display of ex-
6 hibits, photographic displays, moving pictures, and other
7 visual educational information and descriptive material,
8 including purchase or rental of equipment; \$163,922,300:
9 *Provided*, That no part of this appropriation shall be used to
10 pay in excess of fifteen persons engaged in public relations
11 work: *Provided further*, That no part of any appropriation
12 shall be used to pay educational institutions for reports and
13 certifications of attendance at such institutions an allowance
14 at a rate in excess of \$1 per month for each eligible veteran
15 enrolled in and attending such institution.

16 Medical administration and miscellaneous operating
17 expenses: For expenses necessary for administration of the
18 medical, hospital, domiciliary, special service, construction
19 and supply, research, and employee education and training
20 activities; expenses necessary for carrying out programs of
21 medical research and of education and training of employees,
22 as authorized by law; and not to exceed \$834,388 for ex-
23 penses of travel of employees paid from this appropriation;
24 \$14,654,000.

25 Inpatient care: For expenses necessary for the main-

1 tenance and operation of hospitals and domiciliary facilities
2 and for the care and treatment of beneficiaries of the Veterans
3 Administration in facilities not under the jurisdiction of the
4 Veterans Administration as authorized by law, including
5 the furnishing of recreational articles and facilities; main-
6 tenance and operation of farms; repairing, altering, improv-
7 ing or providing facilities in the several hospitals and homes
8 under the jurisdiction of the Veterans Administration, not
9 otherwise provided for, either by contract, or by the hire
10 of temporary employees and purchase of materials; purchase
11 of fifty passenger motor vehicles for replacement only; not
12 to exceed \$315,000 for expenses of travel of employees;
13 and aid to State or Territorial homes in conformity with the
14 Act approved August 27, 1888, as amended (24 U. S. C.
15 134) for the support of veterans eligible for admission to
16 Veterans Administration facilities for hospital or domiciliary
17 care; \$598,127,000, including the sum of \$7,134,500 for
18 reimbursable services performed for other Government agen-
19 cies and individuals: *Provided*, That allotments and transfers
20 may be made from this appropriation to the Department of
21 Health, Education, and Welfare (Public Health Service),
22 the Army, Navy, Air Force, and Interior Departments, for
23 disbursement by them under the various headings of their
24 applicable appropriations, of such amounts as are necessary
25 for the care and treatment of beneficiaries of the Veterans

1 Administration: *Provided further*, That the foregoing appro-
2 priation is predicated on furnishing inpatient care and treat-
3 ment to an average of 127,000 beneficiaries during the fiscal
4 year 1955, excluding members in State or Territorial homes,
5 and if a lesser number is experienced such appropriation
6 shall be expended only in proportion to the average number
7 of beneficiaries furnished such care and treatment.

8 Outpatient care: For expenses necessary for furnishing
9 outpatient care to beneficiaries of the Veterans Administra-
10 tion, as authorized by law, including not to exceed \$178,000
11 for expenses of travel of employees; \$76,744,000: *Provided*,
12 That no part of this appropriation shall be available for out-
13 patient dental services and treatment, or related dental appli-
14 ances with respect to a service-connected dental disability
15 which is not compensable in degree unless such condition or
16 disability is shown to have been in existence at time of dis-
17 charge and application for treatment is made within one year
18 after discharge or by July 27, 1954, whichever is later: *Pro-*
19 *vided*, That this limitation shall not apply to adjunct out-
20 patient dental services or appliances for any dental condition
21 associated with and held to be aggravating disability from
22 some other service incurred or service aggravated injury or
23 disease.

24 Maintenance and operation of supply depots: For ex-
25 penses necessary for maintenance and operation of supply

1 depots, including not to exceed \$4,400 for expenses of travel
2 of employees, and purchase of two passenger motor vehicles
3 for replacement only, \$1,654,000.

4 Compensation and pensions: For the payment of com-
5 pensation, pensions, gratuities, and allowances (including
6 burial awards authorized by Veterans Administration Regu-
7 lation Numbered 9 (a), as amended, and subsistence allow-
8 ances authorized by part VII of Veterans Regulation 1a, as
9 amended), authorized under any Act of Congress, or regu-
10 lation of the President based thereon, including emergency
11 officers' retirement pay and annuities, the administration
12 of which is now or may hereafter be placed in the Veterans
13 Administration, and for the payment of adjusted-service
14 credits as provided in sections 401 and 601 of the Act of May
15 19, 1924, as amended (38 U. S. C. 631 and 661),
16 \$2,435,000,000, to be immediately available and to remain
17 available until expended.

18 Readjustment benefits: For the payment of benefits to
19 or on behalf of veterans as authorized by titles II, III, and
20 V, of the Servicemen's Readjustment Act of 1944, as
21 amended, and title II of the Veterans Readjustment Assist-
22 ance Act of 1952, and for supplies, equipment, and tuition
23 authorized by part VII and payments authorized by part IX
24 of Veterans Administration Regulation Numbered 1 (a), as
25 amended, \$387,000,000, together with the unexpended

1 balance as of June 30, 1954, remaining in the appropriation
2 for "Veterans miscellaneous benefits" to be immediately
3 available and to remain available until expended: *Provided*,
4 That no part of any appropriation to the Veterans Administra-
5 tion shall be available, in connection with any loan authorized
6 by title III of the Servicemen's Readjustment Act of 1944, as
7 amended (38 U. S. C. 694-694n), for payment to the
8 lender by the Administrator of Veterans Affairs, or for
9 credit on the loan, of an amount equivalent to 4 per centum
10 of the amount originally loaned, guaranteed or insured by
11 the Veterans Administration: *Provided further*, That no
12 right to any such payment shall accrue after Septem-
13 ber 1, 1953, but the foregoing proviso shall not
14 apply with respect to payments based on guarantees
15 made, or certificates of commitments issued, prior to said
16 date or commitments for loans made by the Veterans Ad-
17 ministration: *Provided further*, That under any contract be-
18 tween a State, or any political subdivision of a State, and the
19 Veterans Administration providing for the furnishing of in-
20 struction in a course of institutional on-farm or other train-
21 ing under part VIII of Veterans Regulation Numbered
22 1 (a), as amended (Public Law 346, Seventy-eighth Con-
23 gress, as amended) liability authorized by this section by
24 reason of payments of subsistence allowance which were
25 illegal because of failure of the veteran or the course to com-

1 ply with the applicable statutory, regulatory or contractual
2 requirements shall not be applied to the contracting State,
3 or political subdivision, unless the Administrator of Veterans
4 Affairs, after investigation, finds that an employee or repre-
5 sentative of such State, or political subdivision, conspired
6 with the veteran by, or was guilty of fraud or gross negli-
7 gence in, falsely reporting to the Veterans Administration
8 that the veteran was in a proper course of training, failing
9 to report unauthorized or excessive absences from, or inter-
10 ruption or discontinuance of, his course of training, or not
11 discovering the failure of the veteran to comply with the
12 applicable statutory, regulatory, or contractual requirements
13 and not promptly terminating the course of training of the
14 veteran. The provisions of this proviso shall be effective as of
15 July 13, 1950, but shall not require repayment of any funds
16 heretofore properly recovered by agreement of the parties to
17 any such contract, and shall not be applicable to any other
18 liabilities or agreements pursuant to such contract.

19 Military and naval insurance: For military and naval
20 insurance, \$4,932,000, to remain available until expended.

21 Hospital and domiciliary facilities: For hospital and
22 domiciliary facilities, for planning and for extending, with
23 the approval of the President, any of the facilities under the
24 jurisdiction of the Veterans Administration or for any of the
25 purposes set forth in sections 1 and 2 of the Act approved

1 March 4, 1931 (38 U. S. C. 438j-k) or in section 101 of
2 the Servicemen's Readjustment Act of 1944 (38 U. S. C.
3 693a), to remain available until expended, \$39,000,000:
4 *Provided*, That notwithstanding any other provisions of exist-
5 ing law the Veterans Administration is authorized to advance
6 not to exceed \$2,000,000 from construction funds previously
7 appropriated, to the city of Cleveland, Ohio, for the con-
8 struction or extension of necessary water facilities to the site
9 of the proposed Veterans Administration hospital, this
10 amount to be repaid by the city of Cleveland in cash or water
11 over a period of years as determined by the Veterans Admin-
12 istration and the city of Cleveland.

13 National service life insurance: For the payment of
14 benefits and for transfer to the national service life insurance
15 fund, in accordance with the National Service Life Insurance
16 Act of 1940, as amended, \$30,570,000, to remain available
17 until expended: *Provided*, That certain premiums shall be
18 credited to this appropriation as provided by the Act.

19 Servicemen's indemnities: For payment of liabilities
20 under the Servicemen's Indemnity Act of 1951, \$30,000,000,
21 to remain available until expended.

22 Grants to the Republic of the Philippines: For pay-
23 ment to the Republic of the Philippines of grants in accord-
24 ance with the Act of July 1, 1948 (50 U. S. C. App. 1991-

1 1996), for expenses incident to medical care and treatment
2 of veterans, \$1,564,000.

3 Major alterations, improvements, and repairs: For all
4 necessary expenses of major alterations, improvements, and
5 repairs to regional offices, supply depots, and hospital and
6 domiciliary facilities, \$3,400,000, to remain available until
7 expended: *Provided*, That no part of the foregoing appropri-
8 ation shall be used to commence any major alteration, im-
9 provement, or repair unless funds are available for the com-
10 pletion of such work; and no funds shall be used for such work
11 at any facility if the Veterans Administration is reasonably
12 certain that the installation will be abandoned in the near
13 future.

14 Not to exceed 5 per centum of any appropriation for the
15 current fiscal year for "Compensation and pensions", "Re-
16 adjustment benefits", "Military and naval insurance",
17 "National service life insurance", and "Servicemen's
18 indemnities", may be transferred, to any other of the men-
19 tioned appropriations, but not to exceed 10 per centum of
20 the appropriation so augmented.

21 Appropriations available to the Veterans Administration
22 for the current fiscal year for salaries and expenses shall be
23 available for services as authorized by section 15 of the Act
24 of August 2, 1946 (5 U. S. C. 55a).

25 Appropriations available to the Veterans Administra-

1 tion for the current fiscal year for "Inpatient care"
2 and "Outpatient care" shall be available for funeral,
3 burial, and other expenses incidental thereto (except
4 burial awards authorized by Veterans Administration Regu-
5 lation Numbered 9 (a), as amended), for beneficiaries
6 of the Veterans Administration receiving care under
7 such appropriations.

8 No part of the appropriations in this Act for the Veterans
9 Administration (except the appropriation for "Hospital and
10 domiciliary facilities") shall be available for the purchase of
11 any site for or toward the construction of any new hospital
12 or home.

13 No part of the foregoing appropriations shall be avail-
14 able for hospitalization or examination of any persons except
15 beneficiaries entitled under the laws bestowing such benefits
16 to veterans, unless reimbursement of cost is made to the
17 appropriation at such rates as may be fixed by the Adminis-
18 trator of Veterans Affairs.

19 REDUCTIONS IN APPROPRIATIONS

20 The appropriation heretofore granted for "Soldiers'
21 and sailors' civil relief" is hereby reduced by the sum of
22 \$500,000, and said amount shall be carried to the surplus
23 of the Treasury.

24 The appropriations heretofore granted for "Vocational
25 rehabilitation revolving fund (Act of Mar. 24, 1943)", are

1 hereby reduced by the sum of \$400,000, and said amount
2 shall be carried to the surplus of the Treasury.

3 WAR CLAIMS COMMISSION

4 PAYMENT OF CLAIMS

5 For payment of claims, as authorized by the War Claims
6 Act of 1948, as amended, from funds deposited in the
7 Treasury to the credit of the war claims fund created by
8 section 13 (a) of said Act, such sums as may be necessary,
9 to be available to the Secretary of the Treasury for payment
10 of claims under sections 4 (a), 4 (b) (2), 5 (a) through
11 (e), 6, and 7 of said Act to the payees named and in the
12 amounts stated in certifications by the War Claims Com-
13 mission and the Secretary of Labor or their duly authorized
14 representatives, which certifications shall be in lieu of any
15 vouchers which might otherwise be required: *Provided*,
16 That this appropriation shall not be available for admin-
17 istrative expenses: *Provided further*, That no claims shall be
18 allowed or paid under the provisions of said War Claims
19 Act of 1948 from any funds other than those covered into
20 the Treasury pursuant to the provisions of section 39 of the
21 Trading With the Enemy Act of October 6, 1917, as
22 amended, as provided by section 13 (a) of said War Claims
23 Act of 1948.

24 ADMINISTRATIVE EXPENSES

25 For expenses necessary to complete the activities of

1 the War Claims Commission, including services as authorized
2 by section 15 of the Act of August 2, 1946 (5 U. S. C.
3 55a) ; expenses of attendance at meetings concerned with
4 the purposes of this appropriation; not to exceed \$4,000 for
5 expenses of travel; and advances or reimbursements to other
6 Government agencies for use of their facilities and services
7 in carrying out the functions of the Commission; \$515,000,
8 to be derived only from the war claims fund created by
9 section 13 (a) of the War Claims Act of 1948 (Public
10 Law 896, approved July 3, 1948) and not to be available
11 for obligation after March 31, 1955.

12 INDEPENDENT OFFICES—GENERAL PROVISIONS

13 SEC. 102. Where appropriations in this title are expend-
14 able for travel expenses of employees and no specific limita-
15 tion has been placed thereon, the expenditures for such
16 travel expenses may not exceed the amount set forth therefor
17 in the budget estimates submitted for the appropriations:
18 *Provided*, That this section shall not apply to travel per-
19 formed by uncompensated officials of local boards and appeal
20 boards of the Selective Service System.

21 SEC. 103. Where appropriations in this title are ex-
22 pendable for the purchase of newspapers and periodicals and
23 no specific limitation has been placed thereon, the expendi-
24 tures therefor under each such appropriation may not exceed
25 the amount of \$50: *Provided*, That this limitation shall not

1 apply to the purchase of scientific, technical, trade, or traffic
2 periodicals necessary in connection with the performance of
3 the authorized functions of the agencies for which funds are
4 herein provided.

5 SEC. 104. No part of any appropriation contained in
6 this title shall be available to pay the salary of any person
7 filling a position, other than a temporary position, formerly
8 held by an employee who has left to enter the Armed Forces
9 of the United States and has satisfactorily completed his
10 period of active military or naval service and has within
11 ninety days after his release from such service or from hos-
12 pitalization continuing after discharge for a period of not more
13 than one year made application for restoration to his former
14 position and has been certified by the Civil Service Commis-
15 sion as still qualified to perform the duties of his former
16 position and has not been restored thereto.

17 SEC. 105. Appropriations contained in this title, avail-
18 able for expenses of travel shall be available, when specifi-
19 cally authorized by the head of the activity or establishment
20 concerned, for expenses of attendance at meetings of organi-
21 zations concerned with the function or activity for which the
22 appropriation concerned is made.

23 SEC. 106. No part of any appropriations made available
24 by the provisions of this title shall be used for the purchase
25 or sale of real estate or for the purpose of establishing new

1 offices outside the District of Columbia: *Provided*, That
2 this limitation shall not apply to programs which have been
3 approved by the Congress and appropriations made therefor.

4 SEC. 107. No part of any appropriation contained in
5 this title shall be used to pay the compensation of any em-
6 ployee engaged in personnel work in excess of the number
7 that would be provided by a ratio of one such employee to
8 one hundred and thirty-five, or a part thereof, full-time,
9 part-time, and intermittent employees of the agency con-
10 cerned: *Provided*, That for purposes of this section employees
11 shall be considered as engaged in personnel work if they
12 spend half time or more in personnel administration con-
13 sisting of direction and administration of the personnel
14 program; employment, placement, and separation; job
15 evaluation and classification; employee relations and services;
16 training; wage administration; and processing, recording,
17 and reporting.

18 SEC. 108. None of the sections under the head "Inde-
19 pendent Offices, General Provisions" in this title shall apply
20 to the Housing and Home Finance Agency or the Tennessee
21 Valley Authority.

22 TITLE II—CORPORATIONS

23 The following corporations and agencies, respectively.
24 are hereby authorized to make such expenditures, within the
25 limits of funds and borrowing authority available to each such

1 corporation or agency and in accord with law, and to make
2 such contracts and commitments without regard to fiscal year
3 limitations as provided by section 104 of the Government
4 Corporation Control Act, as amended, as may be necessary
5 in carrying out the programs set forth in the Budget for the
6 fiscal year 1955 for each such corporation or agency, except
7 as hereinafter provided:

8 HOUSING AND HOME FINANCE AGENCY

9 Federal National Mortgage Association: Not to exceed
10 \$3,238,000 shall be available for administrative ex-
11 penses, which shall be on an accrual basis, and shall
12 be exclusive of interest paid, depreciation, properly capital-
13 ized expenditures, fees for servicing mortgages, expenses
14 (including services performed on a force account, contract,
15 or fee basis, but not including other personal services) in
16 connection with the acquisition, protection, operation, main-
17 tenance, improvement, or disposition of real or personal
18 property belonging to said Association or in which it has an
19 interest, cost of salaries, wages, travel, and other expenses
20 of persons employed outside of the continental United States,
21 expenses of services performed on a contract or fee basis in
22 connection with the performance of legal services, and all
23 administrative expenses reimbursable from other Government
24 agencies; and said Association may utilize and may make
25 payment for services and facilities of the Federal Reserve

1 banks and other agencies of the Government: *Provided*, That
2 the distribution of administrative expenses to the accounts
3 of the Association shall be made in accordance with generally
4 recognized accounting principles and practices: *Provided*
5 *further*, That not to exceed \$87,750 shall be available for
6 expenses of travel: *Provided further*, That administrative
7 expenses not under limitation for the purposes set forth in
8 the budget schedules for the fiscal year 1955 shall not exceed
9 \$150,000: *Provided further*, That the Federal National
10 Mortgage Association is authorized and directed prior to
11 the conclusion of any sale of a mortgage at a discount to a
12 financial institution to offer the mortgage to the mortgagor
13 at the same discount, and that an offer shall be considered
14 properly made when addressed by registered letter to the
15 mortgagor, who may tender the purchase price, less discount,
16 to the Federal National Mortgage Association within two
17 weeks from date of receipt of such offer.

18 Office of the Administrator, housing loans to educational
19 institutions: Not to exceed \$375,000 shall be available for all
20 administrative expenses, which shall be on an accrual basis, of
21 carrying out the functions of the Office of the Administrator
22 under the program of housing loans to educational institutions
23 (title IV of the Housing Act of 1950, 12 U. S. C. 1749–
24 1749d), but this amount shall be exclusive of payment for
25 services and facilities of the Federal Reserve banks or

1 any member thereof, the Federal home-loan banks,
2 and any insured bank within the meaning of the Act creating
3 the Federal Deposit Insurance Corporation (Act of August
4 23, 1935, as amended, 12 U. S. C. 264) which has been
5 designated by the Secretary of the Treasury as a depository
6 of public money of the United States: *Provided*, That not
7 to exceed \$19,000 shall be available for expenses of travel.

8 Office of the Administrator, revolving fund (liquidating
9 programs) : There is established as of June 30, 1954, a re-
10 volving fund, and the Administrator is authorized to credit
11 said fund with all moneys hereafter obtained or now held by
12 him or by any constituent agency of the Housing and Home
13 Finance Agency or any other official thereof, and to account
14 under said fund for all assets and liabilities, in connection with
15 (1) community facilities provided or assisted under title
16 II of the Lanham Act, as amended (42 U. S. C. 1531-
17 1534), or under title III of the Defense Housing and Com-
18 munity Facilities and Services Act of 1951, as amended (42
19 U. S. C. 1592-1592n) ; (2) loans or advances made pur-
20 suant to title V of the War Mobilization and Reconversion
21 Act of 1944 (58 Stat. 791), or the Act of October 13, 1949
22 (40 U. S. C. 451-458) ; (3) functions transferred under
23 Reorganization Plan No. 23 of 1950 (5 U. S. C. 133z-15,
24 note), or authorized under sections 102, 102a, 102b, and
25 102c of the Housing Act of 1948, as amended (12 U. S. C.

1 1701g-1701g-3) ; (4) notes or other obligations purchased
2 pursuant to the Alaska Housing Act, as amended (48
3 U. S. C. 484 (a)) ; (5) subsistence homesteads and green-
4 towns (Acts of June 29, 1936, 49 Stat. 2035, and May
5 19, 1949, 63 Stat. 68) ; (6) public war housing under title
6 I of the Lanham Act, as amended (42 U. S. C. 1521-
7 1524), and defense housing under title III of the Defense
8 Housing and Community Facilities and Services Act of 1951,
9 as amended (42 U. S. C. 1592-1592n) ; and (7) veterans'
10 re-use housing under title V of the Lanham Act, as amended
11 (42 U. S. C. 1571-1575) : *Provided*, That said fund shall be
12 available for all necessary expenses (including administrative
13 expenses) in connection with the liquidation of the programs
14 carried out pursuant to the foregoing provisions of law, in-
15 cluding operation, maintenace, improvement, or disposition
16 of facilities, and for disbursements pursuant to outstanding
17 commitments against moneys herein authorized to be
18 credited to said fund, repayment of obligations to the Treas-
19 ury, and refinancing and refunding operations on existing
20 loans: *Provided further*, That any amount in said fund
21 which is determined to be in excess of requirements for
22 the purposes hereof shall be declared and paid as liquidating
23 dividends to the Treasury not less often than annually:
24 *Provided further*, That during the current fiscal year not
25 to exceed \$3,940,000 shall be available for administrative

1 expenses (including not to exceed \$265,000 for travel)
2 for the foregoing purposes, but this amount shall be ex-
3 clusive of payment for services and facilities of the Federal
4 Reserve banks or any member thereof, the Federal home-
5 loan banks, and any insured bank within the meaning
6 of the Act of August 23, 1935, as amended, creating the
7 Federal Deposit Insurance Corporation (12 U. S. C. 264)
8 which has been designated by the Secretary of the Treas-
9 ury as a depository of public money of the United States:
10 *Provided further*, That after the effective date of this Act
11 no additional notes or obligations shall be purchased from
12 funds appropriated pursuant to the Alaska Housing Act,
13 as amended (48 U. S. C. 484 (d)), except for the fur-
14 therance or refinancing of an existing loan: *Provided further*,
15 That except for extensions, or refinancing, of existing
16 obligations the authority to issue obligations to the Secre-
17 tary of the Treasury under section 1 (4) of Reorganization
18 Plan No. 23 of 1950 (5 U. S. C. 1332-15, note), shall
19 terminate on June 30, 1954: *Provided further*, That all
20 expenses, not otherwise specifically limited in this Act,
21 in connection with the programs administered pursuant to
22 the foregoing provisions of law shall not exceed \$20,000,000.

23 Home Loan Bank Board: Not to exceed a total of
24 \$775,000 shall be available for administrative ex-
25 penses of the Home Loan Bank Board, and shall be de-

1 rived from funds available to the Home Loan Bank Board,
2 including those in the Home Loan Bank Board revolving
3 fund and receipts of the Federal Home Loan Bank Admin-
4 istration, the Federal Home Loan Bank Board, or the Home
5 Loan Bank Board for the current fiscal year and prior fiscal
6 years, and the Board may utilize and may make payment
7 for services and facilities of the Federal home-loan banks, the
8 Federal Reserve banks, the Federal Savings and Loan In-
9 surance Corporation, and other agencies of the Government:
10 *Provided*, That all necessary expenses in connection with the
11 conservatorship of institutions insured by the Federal Savings
12 and Loan Insurance Corporation and all necessary expenses
13 (including services performed on a contract or fee basis, but
14 not including other personal services) in connection with the
15 handling, including the purchase, sale, and exchange, of
16 securities on behalf of Federal home-loan banks, and the sale,
17 issuance, and retirement of, or payment of interest on, deben-
18 tures or bonds, under the Federal Home Loan Bank Act, as
19 amended, shall be considered as nonadministrative expenses
20 for the purposes hereof: *Provided further*, That not to ex-
21 ceed \$35,000 shall be available for expenses of travel:
22 *Provided further*, That notwithstanding any other provisions
23 of this Act, except for the limitation in amount hereinbefore
24 specified, the administrative expenses and other obligations
25 of the Board shall be incurred, allowed, and paid in accord-

1 ance with the provisions of the Federal Home Loan Bank
2 Act of July 22, 1932, as amended (12 U. S. C. 1421–
3 1449) : *Provided further*, That the nonadministrative ex-
4 penses for the examination of Federal and State chartered
5 institutions shall not exceed \$2,395,000.

6 Federal Savings and Loan Insurance Corporation: Not
7 to exceed \$455,000 shall be available for administrative
8 expenses, which shall be on an accrual basis and shall be
9 exclusive of interest paid, depreciation, properly capitalized
10 expenditures, expenses in connection with liquidation of
11 insured institutions, liquidation or handling of assets of or
12 derived from insured institutions, payment of insurance, and
13 action for or toward the avoidance, termination, or mini-
14 mizing of losses in the case of insured institutions, legal fees
15 and expenses, and payments for administrative expenses of
16 the Home Loan Bank Board determined by said Board to be
17 properly allocable to said Corporation, and said Corporation
18 may utilize and may make payment for services and facilities
19 of the Federal home-loan banks, the Federal Reserve banks,
20 the Home Loan Bank Board, and other agencies of the
21 Government: *Provided*, That not to exceed \$6,500 shall
22 be available for expenses of travel: *Provided further*,
23 That notwithstanding any other provisions of this Act,
24 except for the limitation in amount hereinbefore specified,
25 the administrative expenses and other obligations of said

1 Corporation shall be incurred, allowed and paid in accord-
2 ance with title IV of the Act of June 27, 1934, as amended
3 (12 U. S. C. 1724-1730).

4 Federal Housing Administration: In addition to the
5 amounts available by or pursuant to law (which shall be
6 transferred to this authorization) for the administrative ex-
7 penses in carrying out duties imposed by or pursuant to law,
8 not to exceed \$5,000,000 of the various funds of the Federal
9 Housing Administration shall be available for expenditure,
10 in accordance with the National Housing Act, as amended
11 (12 U. S. C. 1701) : *Provided*, That, except as herein other-
12 wise provided, all expenses and obligations of said Admin-
13 istration shall be incurred, allowed, and paid in accordance
14 with the provisions of said Act: *Provided further*, That
15 not to exceed \$175,000 shall be available for expenses
16 of travel: *Provided further*, That funds available for
17 expenditure shall be available for contract actuarial services
18 (not to exceed \$1,500) ; and purchase of periodicals and
19 newspapers (not to exceed \$500) : *Provided further*, That
20 expenditures for nonadministrative expenses classified by
21 section 2 of Public Law 387, approved October 25, 1949,
22 shall not exceed \$24,000,000.

23 Public Housing Administration: Of the amounts avail-
24 able by or pursuant to law for the administrative expenses
25 of the Public Housing Administration in carrying out duties

1 imposed by or pursuant to law including funds appropriated
2 by title I of this Act not to exceed \$6,950,000, shall be
3 available for such expenses, including not to exceed \$500,000
4 for expenses of travel; and expenses of attendance at meet-
5 ings of organizations concerned with the work of the
6 Administration: *Provided*, That necessary expenses of pro-
7 viding representatives of the Administration at the sites
8 of non-Federal projects in connection with the con-
9 struction of such non-Federal projects by public housing
10 agencies with the aid of the Administration, shall be com-
11 pensated by such agencies by the payment of fixed fees which
12 in the aggregate in relation to the development costs of such
13 projects will cover the costs of rendering such services, and
14 expenditures by the Administration for such purpose shall be
15 considered nonadministrative expenses, and funds received
16 from such payments may be used only for the payment of
17 necessary expenses of providing representatives of the Ad-
18 ministration at the sites of non-Federal projects: *Provided*
19 *further*, That all expenses of the Public Housing Administra-
20 tion not specifically limited in this Act, in carrying out its
21 duties imposed by or pursuant to law, shall not exceed
22 \$1,530,000: *Provided further*, That during the fiscal year
23 1955 the Commissioner shall continue to make every effort
24 to refund all local bonds held by the Public Housing Admin-

1 istration under the United States Housing Act of 1937, as
2 amended.

3 CORPORATIONS—GENERAL PROVISIONS

4 SEC. 202. No part of the funds of, or available for expend-
5 iture by, any corporation or agency included in this title shall
6 be used to pay the compensation of any employee engaged
7 in personnel work in excess of the number that would be
8 provided by a ratio of one such employee to one hundred and
9 thirty-five, or a part thereof, full-time, part-time, and inter-
10 mittent employees of the agency concerned: *Provided*, That
11 for purposes of this section employees shall be considered as
12 engaged in personnel work if they spend half-time or more
13 in personnel administration consisting of direction and ad-
14 ministration of the personnel program; employment, place-
15 ment, and separation; job evaluation and classification;
16 employee relations and services; training; committees of
17 expert examiners and boards of civil-service examiners; wage
18 administration; and processing, recording, and reporting.

19 TITLE III—GENERAL PROVISIONS

20 SEC. 301. No part of any appropriation contained in this
21 Act, or of the funds available for expenditure by any corpo-
22 ration included in this Act, shall be used to pay the salary or
23 wages of any person who engages in a strike against the
24 Government of the United States or who is a member of an
25 organization of Government employees that asserts the right

1 to strike against the Government of the United States, or
2 who advocates, or is a member of an organization that
3 advocates, the overthrow of the Government of the United
4 States by force or violence: *Provided*, That for the purposes
5 hereof an affidavit shall be considered prima facie evidence
6 that the person making the affidavit has not contrary to the
7 provisions of this section engaged in a strike against the
8 Government of the United States, is not a member of an
9 organization of Government employees that asserts the right
10 to strike against the Government of the United States, or that
11 such person does not advocate, and is not a member of an
12 organization that advocates, the overthrow of the Govern-
13 ment of the United States by force or violence: *Provided*
14 *further*, That any person who engages in a strike against the
15 Government of the United States or who is a member of an
16 organization of Government employees that asserts the right
17 to strike against the Government of the United States, or who
18 advocates, or who is a member of an organization that advo-
19 cates, the overthrow of the Government of the United States
20 by force or violence and accepts employment the salary or
21 wages for which are paid from any appropriation or fund
22 contained in this Act shall be guilty of a felony and, upon
23 conviction, shall be fined not more than \$1,000 or imprisoned
24 for not more than one year, or both: *Provided further*, That

1 the above penalty clause shall be in addition to, and not in
2 substitution for, any other provisions of existing law.

3 SEC. 302. No part of any appropriation contained in
4 this Act, or of the funds available for expenditure by any
5 corporation or agency included in this Act, shall be used
6 for publicity or propaganda purposes designed to support
7 or defeat legislation pending before the Congress.

8 SEC. 303. This Act may be cited as the "Independent
9 Offices Appropriation Act, 1955."

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83^d CONGRESS
2^d Session

H. R. 8583

[Report No. 1428]

A BILL

Making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1955, and for other purposes.

By Mr. PHILLIPS

MARCH 26, 1954

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only).

Issued March 30, 1954
For actions of March 29, 1954
83rd-2nd, No. 57

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HIGHLIGHTS: House debated independent offices appropriation bill. Rep. Johnson, Wis., and others criticized reduction in dairy price supports. Rep. Shelley recommended distribution of surplus commodities to needy. House received appropriation estimate for foot-and-mouth disease research. Sens. Kefauver, Thyne, and Wiley recommended temporary continuation of 90% dairy price supports. Senate debated Hawaii-Alaska statehood. Rep. Yorty defended present price-support program.

HOUSE

1. INDEPENDENT OFFICES APPROPRIATION BILL, 1955. Began debate on this bill, H. R. 8583, which was reported without amendment by the Appropriations Committee on Mar. 26 during adjournment (H. Rept. 1428)(pp. 3739-77, 3796).

This bill includes appropriations for the Budget Bureau, Council of Economic Advisers, Office of Defense Mobilization, Emergency Fund for the President, management improvement fund, Civil Service Commission, Federal Power Commission, Federal Trade Commission, General Accounting Office, General Services Administration, Interstate Commerce Commission, National Science Foundation, Selective Service System, Subversive Activities Board, Tariff Commission, Tennessee Valley Authority, and Veterans' Administration. It authorizes additional super-grades for the Budget Bureau and the General Accounting Office. It includes a provision that hereafter TVA must pay into the Treasury, from power revenues, interest on the amounts invested by TVA in power-facility properties.

Excerpts from Committee Report:

Vehicle Pools. "The committee has considered seriously inserting language in the bill requiring the establishment of interagency motor vehicle pools for use by all agencies of the Government at locations to be established throughout the country. Such a pool has been established at the instance of the President at Denver, Colorado, and has resulted in a reduction of 112 automobiles out of 600 owned by various agencies and departments, and service has been improved.

"The committee strongly recommends legislation to provide for the creation of such pools in other cities and has not acted in this bill because it understands that the Committee on Government Operations has under consideration the Jonas bill (H. R. 4457) which will accomplish this and is holding hearings at the present time. The potential savings by creating such a Federal motor vehicle fleet is estimated at \$44,000,000 annually. Transportation service to the Government would be improved and the Government would have a fleet of modern vehicles. Every business of any size follows this practice and the committee is of the opinion it would be a good practice for the Government."

Budget Bureau. "The responsibilities connected with this office are immense and the committee is impressed with the forthright manner the director has taken to direct this activity. The fresh look he has given to this key government agency has enabled many functions not essential to its performance to be discontinued. The net result is that each year a smaller appropriation has been requested, and the only reduction made by the committee for 1955 is \$7,500 for printing costs resulting from the lesser charges to the agency by the Public Printer."

Management Improvement. "Congress provided last year for an appropriation of \$500,000 to establish a fund under the control of the President to assist in improving the management of executive agencies and to obtain greater economy and efficiency through the establishment of more efficient business methods in government operations. This fund has been used to make surveys of the organization and management of the Federal Power Commission, Federal Trade Commission, and disposal of surplus real properties as described on page 1100 of the hearings, and further studies of other projects are in prospect. It is unlikely that the entire \$500,000 will be used before June 30, and whatever amount is unobligated at that time is available until expended and will be available in 1955. In addition to such amount the bill provides \$250,000, a reduction of \$150,000 in the estimate, and in total will provide sufficient funds for the coming year. Some of the early studies are just being completed. It is pointed out in the hearings that this item is for detailed operating management studies and is pinpointed toward the purpose of obtaining working efficiency and economy. Before future funds are provided the committee will expect specific evidences of savings resulting from this item, complete justifications of future requirements and the necessity that the fund be continued."

Research. "The committee is very much interested in the coordination and elimination of duplication between and among Government agencies and private foundations in connection with all scientific research work, and would like to see the National Science Foundation have greater authority over activity in this field. The greatest weakness in the present program is that the Foundation has no control over research desired by other Federal agencies, or over the products of its scientific research program...The committee is of the opinion that the Foundation is over-staffed in administration and it certainly should not increase over the present level. No limitation has been placed on personal services in the bill this year, but funds for increased staff are specifically denied."

General Accounting Office. "...the committee is certain the reorganization of this agency already instituted by the Comptroller General on his own initiative will have a tendency to save operating costs and the reduction of \$219,000 in the estimate can therefore be made without affecting its efficiency and value."

~~2. RESEARCH APPROPRIATION. Received from the President a supplemental appropriation estimate of \$2,134,000 to initiate research on foot-and-mouth disease at Plum Island (H. Doc. 357)(p. 3796).~~

~~3. DAIRY PRICE SUPPORTS. Reps. Johnson of Wis., Netcalf, McCarthy, and Elliott spoke in~~

representative, with a deadly weapon in the District of Columbia, for the purpose of hindering, impeding, or obstructing the transaction of the business of the Government, or for the purpose of intimidating any such official in the performance of his official duties, may be sentenced to death or imprisonment for life or for any term of years.

COMMITTEE ON BANKING AND CURRENCY

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the minority members of the Committee on Banking and Currency have until midnight tonight to file a minority report on the housing bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

SPECIAL ORDER GRANTED

Mr. HOLIFIELD asked and was given permission to address the House for 20 minutes today and tomorrow, following the legislative program and any special orders heretofore entered.

CORRECTION OF RECORD

Mr. MAGNUSON. Mr. Speaker, I ask unanimous consent to correct the RECORD of March 25 in the following particular: Page 3597, column 3, line 52, strike out the word "right" and insert in lieu thereof the word "tight." This is an error made in printing my remarks.

The SPEAKER. Without objection the RECORD will be corrected as indicated. There was no objection.

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent that my remarks of March 24, regarding a speech made by the gentleman from Wisconsin [Mr. JOHNSON], be placed in the permanent RECORD immediately following those of the gentleman from Massachusetts [Mr. McCORMACK] on the same subject.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

GENERAL PERMISSION TO EXTEND

Mr. PHILLIPS. Mr. Speaker, I ask unanimous consent that all members who speak on the independent offices bill in the Committee of the Whole today may have permission to revise and extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PHILLIPS. Mr. Speaker, I ask unanimous consent that any member of the Committee on Appropriations in addition to being permitted to revise and extend his remarks may also include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

INDEPENDENT OFFICES APPROPRIATION BILL, 1955

Mr. PHILLIPS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8583) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1955, and for other purposes.

Pending that, Mr. Speaker, I ask unanimous consent that general debate continue throughout the balance of the day to be equally divided and controlled by the gentleman from Texas [Mr. THOMAS] and myself.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER. The question is on the motion.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 8583, with Mr. GRAHAM in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. PHILLIPS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the Committee on Appropriations submits today a bill making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1955, and for other purposes. That statement is quoted from the title of the bill, and is comprehensive. I speak for the Subcommittee on Independent Offices, in which subcommittee the bill originates, and I speak with that satisfaction which any committee chairman would feel, realizing that over the years he has served on the committee, there have been remarkably few differences of opinion, and nothing that might be called serious controversy. It has been a hard-working committee, a statement which establishes no distinction between this subcommittee and any other, of the committee on Appropriations, and I now express, as chairman, to the members of the subcommittee; the gentleman from New Hampshire [Mr. COTTON], the gentleman from North Carolina [Mr. JONAS], the gentleman from North Dakota [Mr. KRUEGER], the gentleman from Texas [Mr. THOMAS]—whose remarkable grasp of details and figures has been displayed constantly during his 4 years as chairman and his present 2 years as ranking minority member—the gentleman from Alabama [Mr. ANDREWS], and the gentleman from Illinois [Mr. YATES], my sincere appreciation for the cooperation I have had in the present and past sessions.

It is an interesting thing about this bill that, although it covers the house-keeping area of government administration, and although it contains the budget

for practically every agency which is not attached directly to a department; that is to say, under the supervision of a Cabinet officer, and although we on the subcommittee work with it constantly during the tenure of each session, it is usually difficult for us to answer the simple question, "How many agencies do you have in your appropriation bill?"

If that sounds like a curious statement, Mr. Chairman, let me put the proposition to you in simple language. We have the budget for the Executive Office of the President, for which we appropriate in the current budget, \$8,770,700. If we take that total figure, we have combined, in one item, the compensation of the President, the operating costs and the personnel costs at the White House, the costs of care for the White House and the grounds, the Bureau of the Budget, the Council of Economic Advisers, the National Security Council, the Office of Defense Mobilization, the Emergency Fund for the President—for national defense—and the expenses of the Committee Investigating Management Improvement. The latter item is for the work of the committee known as the Rockefeller committee. It is obvious that several of these items should be separated and considered as separate agencies, notably the Bureau of the Budget, the Council of Economic Advisers, the National Security Council, and the Office of Defense Mobilization, but if we separate these four shall we consider all the others as one agency or shall we separate still further?

To take another example, Mr. Chairman, we have an item for the Housing and Home Finance Agency, but we have direct appropriations of new money, in the budget, for the Office of the Administrator—set up by the Congress as a separate function, or agency, in a reorganization bill—and for the Public Housing Administration, which was created by a separate statute, and still operates, in some respects as a quasi-independent agency. Then, still under the heading of the Housing and Home Finance Agency, we turn to the end of the bill—page 48 of the report—and we find under a heading, "Administrative expenses," that the Congress puts limitations on corporate funds to be expended by certain agencies, apart from appropriated funds, and among these agencies we find the Federal National Mortgage Association, familiarly known as Fannie May, the Home Loan Bank Board, the Federal Savings and Loan Insurance Corporation, the Federal Housing Administration, and certain functions again of the Public Housing Administration, and these you will recognize immediately, Mr. Chairman, as being agencies once set up by separate statutes, in most instances, and still having certain elements of independence or individuality.

A satisfactory analysis of the independent agencies which come before the Congress each year, or particularly this year, in the independent offices appropriation bill, would suggest a listing of 44 agencies, as follows:

First. The Executive Office of the President, including his salary, the operating costs and care of the White House and

its grounds, the President's emergency fund, and similar incidental expenses.

Second. The Bureau of the Budget.

Third. The Council of Economic Advisers.

Fourth. The National Security Council.

Fifth. The Office of Defense Mobilization.

Sixth. The Defense Transport Administration.

Seventh. The Rockefeller committee.

Eighth. The Hoover Commission.

Ninth. The Manion Commission.

The money to finance these two commissions was approved by the Congress in the second supplemental, 1954, approved March 6, 1954, Public Law 304.

Tenth. The American Battle Monuments Commission.

Eleventh. The Atomic Energy Commission.

Twelfth. The Civil Service Commission.

Thirteenth. The Federal Communications Commission.

Fourteenth. The Federal Power Commission.

Fifteenth. The Federal Trade Commission.

Sixteenth. The General Accounting Office.

Seventeenth. The General Services Administration, including the Public Buildings Service.

Eighteenth. The Federal Archives.

Nineteenth. The Franklin D. Roosevelt Memorial Library.

Twentieth. The administrative functions of the Housing and Home Finance Agency.

Twenty-first. The Public Housing Administration.

Twenty-second. The Federal Housing Administration.

Twenty-third. The Federal National Mortgage Association.

Twenty-fourth. The Home Loan Bank Board.

Twenty-fifth. The Federal Savings and Loan Insurance Corporation.

Twenty-sixth. The Interstate Commerce Commission.

Twenty-seventh. The Indian Claims Commission.

Twenty-eighth. The Interstate Commission on the Potomac River Basin.

Twenty-ninth. The National Advisory Committee for Aeronautics.

Thirtieth. The National Capital Housing Authority.

Thirty-first. The National Capital Planning Commission.

Thirty-second. The National Science Foundation.

Thirty-third. The Renegotiation Board.

Thirty-fourth. The Securities and Exchange Commission.

Thirty-fifth. The Selective Service System.

Thirty-sixth. The Small Business Administration.

Thirty-seventh. The Smithsonian Institution.

Thirty-eighth. The National Gallery of Art.

Thirty-ninth. The Subversive Activities Board.

Fortieth. The United States Tariff Commission.

Forty-first. The Tennessee Valley Authority.

Forty-second. The Tax Court of the United States.

Forty-third. The Veterans' Administration.

Forty-fourth. The War Claims Commission.

I have the feeling, Mr. Chairman, even as I recite this list of 44 agencies of Government which may be considered separate agencies before the subcommittee, that I may have overlooked 1 or 2 which are presently combined technically or legally, with some other agency of the Government, or which have come to us in supplementals this session.

In my comments today, on behalf of the subcommittee, I will confine myself therefore to a brief comment upon the appropriation items, as a total; to comments upon 1 or 2 of the agencies regarding which there should be points properly brought to your attention, Mr. Chairman, and then to somewhat more detailed comments upon a few agencies, or the appropriations for those agencies, concerning which there may be discussion or inquiry.

TRANSPORTATION POOLS

On page 2 of the report, you will see a strong recommendation, on the part of the Committee on Appropriations, urging that authority be given to the General Services Administration, by the Committee on Government Operations and by the Congress, to create and operate and maintain transportation pools. It would probably astonish you, Mr. Chairman, to learn how much money can be saved in a single year by the creation and operation of such pools. This was tried out recently in Denver, at the personal suggestion of the President himself, and the figures regarding the results, in that one instance, appear on pages 1579 to 1581 of volume 2 of the hearings. It is estimated that the savings by the operation of such pools more widely, under the supervision of the General Services Administration, could save as high as \$40 million per year, as opposed to the present uneconomic use of automobiles by the separate agencies and departments.

PRINTING AND REPRODUCTION

As a general statement, which I shall not repeat in each instance, the Government Printing Office announced, on February 1, that it would decrease its charges to Government agencies 5 percent. Since the 1955 budget estimates had already been delivered to us, this 5-percent reduction has been made for each separate agency having an item covering printing and reproduction. For example, on page 34 of the report, it would appear as if the Committee on Appropriations had reduced the request of the Bureau of the Budget by \$7,500. This is the 5-percent reduction in printing and reproduction costs.

THE ATOMIC ENERGY COMMISSION

The subcommittee, in making up the budget for this agency, had the most complete and satisfactory cooperation it

has ever had. As a result, the Atomic Energy Commission, although it was required by what has been referred to as the "New Look" in defense—to set up entirely new estimates for fiscal year 1955, absorbed all these additional costs in its own funds, by adjustment and by the use of money accumulated over the years previous. No reductions have been made in the accumulation or production of fissionable materials, and the \$100,000 reduction which appears at page 5 of the report is only a reduction in the operation of cafeterias in connection with this program. The anticipated loss to the AEC, for the cafeteria operation item alone, during 1955, was estimated as \$2,882,107, and the committee suggested mildly that the commission might explore possibilities of economy, and make this loss about \$2½ million.

In physical research, where a reduction of \$3,100,000 appears to be indicated in the same listing on page 5 of the report, I call your attention to the fact that the same amount is given for 1955 as the AEC has had for 1954, the current year; we denied only the additional money requested with the comment that this item has been increasing yearly, for sometime past, and that while the committee has no desire to hamper productive research as an essential part of the atomic-energy program, we do feel that there are always fringe items which research scientists would like to investigate, but which have slight possibility of producing useful results. Since the research bill of the Federal Government is already approaching \$2½ billion per year, this slight economy can be absorbed by this particular agency, in support of a congressional desire to return again to a balanced budget, a sound economy, and reduced taxes.

IDENTIFYING APPROPRIATION ITEMS

One of your difficulties, Mr. Chairman, will be to identify appropriations, and consequently reductions, in an agency by the titles given them in the accounting sections. To see that we have made a reduction in program direction and administration, of \$2,769,700, might be startling, if you did not know that this item contained the entire personnel costs of the Atomic Energy Commission. Since we are dealing with a personnel total of over 7,000 people, a reduction of 380 will not be very difficult.

We do call attention to the fact that for the first time we have set a figure which includes all personnel in the employment of the Atomic Energy Commission. In the past it was the custom to set the figure at a lesser amount and not include AEC employees who were assigned, for example, as inspectors on projects financed and operated under contract. I do not suggest that there was any intention to adjust the personnel so as to avoid the restrictions placed in the bill by the Committee on Appropriations, but certainly it was confusing to find that employees could be transferred rather easily from one account, against which the Congress had placed a limitation, to another account, where no limitation was found. It is a much cleaner operation to set one figure, as a limitation for all em-

ployees. It gives the Congress accurate information, and a better control.

I suggest, Mr. Chairman, that you read pages 6, 7, 8, and 9 of the report, and permit me to call attention only to the accumulation in past years of what was intended to be a reserve for contingencies. Again, without intention that this money should accumulate, it is a fact that the contractors set up reserves for contingencies, and then these reserves were duplicated by the Atomic Energy Commission in requesting funds from the Congress. The table on page 8 will give a better idea than I can give verbally. In effect, the reductions in construction figures in the present appropriation bill represent only the desire of the Committee on Appropriations that these reserve funds should be applied against construction costs in 1955, and thus avoid the necessity of appropriating new money and creating still further and equally unnecessary reserves.

The figures on page 9 will support this statement. When the building known as K-29 at Oak Ridge was completed it was discovered that the Atomic Energy Commission had overestimated its probable cost by \$28,600,000. When the building known as K-31, at the same location, was completed the overestimation was discovered to be \$65,700,000. For the present expansion now going on at Oak Ridge \$25,500,000 was released by the Atomic Energy Commission in 1954; \$85 million was indicated to be released in fiscal year 1955; and the justifications showed that \$33 million was still earmarked at this one location as being held for contingencies. In the Paducah expansion, also in the course of completion, \$25,500,000 was released in fiscal year 1954, \$25 million was recorded as being released for fiscal year 1955, and the committee found \$29 million still set up and earmarked for contingencies. Thus on February 1, 1954, the Atomic Energy Commission had funds held for contingencies totaling approximately \$190 million included in its cost estimates for the four largest uncompleted projects: Portsmouth, Savannah River, Oak Ridge, and Paducah. These were funds for contingencies set up by the Atomic Energy Commission, in addition to funds for contingencies set up by the contractors. The Congress will undoubtedly agree with us, Mr. Chairman, that this money should be used now and not carried forward from year to year while we appropriate new money for the AEC program.

GENERAL SERVICES ADMINISTRATION

I skip over hastily, Mr. Chairman, the agencies alphabetically listed between the Atomic Energy Commission and the General Services Administration. There is little to discuss in this agency which is attempting, with more and more success as the days go by, to develop itself into the housekeeping agency for which it was set up by the Congress several years ago. I do desire, however, to call the attention of the Congress to the one item covering the appropriation for strategic and critical materials. This is an extremely important and sensitive function of the administrative arm of the Government. A great deal of the testimony is highly confidential and

does not appear in the record. I can say, without revealing any of this confidential information, that among the many items which are being stockpiled, we find ourselves in a more satisfactory condition this year than in previous years. We find a balance in these funds of approximately \$300 million. Under the program, outlined to the subcommittee, we anticipate that about \$250 million of this amount will be committed before the end of the year. However, in the budget which originally came down to us in January, there was an item of \$27,600,000 to be used to liquidate contract authorizations. After discussing this with the representatives of the General Services Administration, and with the Secretary of the Treasury, and with others interested, the committee decided that this \$27,600,000 could well be taken from the \$300 million, without retarding the program in any way. Consequently, this authorization appears in the bill, and the Administrator of the General Services Administration knows that any time he finds himself running short of funds for this particular purpose, he will have as little difficulty in the future, as his predecessors have had in the past, of getting what money he needs to carry on a very necessary program.

HOSPITAL CENTER, DISTRICT OF COLUMBIA

As a matter of interest, in passing, I record the fact that the committee has appropriated \$4,500,000 to liquidate contract authorizations in connection with this new hospital center for the District. The total contract authorization is \$19,500,000. Ground is being prepared for the hospital now and construction is about to start. The location is on the grounds of the Soldiers' Home.

HOUSING AND HOME FINANCE AGENCY

This agency is undergoing a reorganization under competent administration. The committee denied the requests for increases in the Office of the Administrator, and in the Public Housing Administration, suggesting that these agencies could operate for the same amount of money they had for fiscal 1954. In the case of the Public Housing Administration, we have indicated this reduction should be made in the field force, which has been growing more rapidly in recent years than the subcommittee feels is necessary.

ANNUAL CONTRIBUTIONS

I would be remiss if I did not call your attention, Mr. Chairman, to the costs of congressional generosity and idealism. It has been said repeatedly, on this Floor, apparently supported by both facts and figures, that public housing, such as we have been constructing under recent programs, is more expensive, less well-built, and more subject to political influences, than privately built low-cost housing. These are generalities, and might produce argument. There is no argument over the fact that the subcommittee has been compelled to write into this bill an appropriation of \$63,950,000 for payments under the contribution contracts for the year 1955, which is \$20,650,000 more than the amount appropriated for the current

fiscal year, 1954. These appropriations will grow and grow steadily until, had the original program been carried out, they would have reached a total of \$335,000,000 every year. Yet if the Federal Government had done everything it could do to encourage local or private construction, little or none of this money would be required in our annual budget.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Illinois.

Mr. YATES. The gentleman does not contend there is a direct relationship between the charges he made at the start of the paragraph and the amount of annual contributions? The fact that you have to make annual contributions under contracts does not mean that this is in any way related to the charges you made at the opening of the paragraph; does it? Certainly the hearings show the contrary. We asked those questions of Mr. Cole, as to whether or not he had instances of political handling of any of these units, and he said in isolated cases, yes.

Mr. PHILLIPS. If the gentleman will go back and read a very interesting report from the Committee on Banking and Currency made about 4 years ago, with which neither I nor any other member of the Appropriations Committee had anything to do, he will find sufficient confirmation of the statement made here to suggest, I think, that they are not isolated cases.

Mr. YATES. And certainly the testimony of Mr. Cole before our committee in these hearings was to the contrary, I still say, and I stand on the hearings.

Mr. PHILLIPS. Possibly Mr. Cole was suggesting that the conditions might be changed in the future.

SLUM PREVENTION

The problem to which Congress should direct itself is slum prevention, and to a certain extent slum clearance. The bill before you now contemplates that the greatest interest of Congress will be in this direction. Some of the suggestions which appeared in the independent offices appropriation bill a year ago, appeared again in the budget message of the President of the United States, this last January.

Public housing, as we have thought of it in the past few years, has appeared to be an independent program, rather than a part of a broad slum-clearance or slum-prevention program. The latter must necessarily begin in the individual communities, where local ordinances covering sanitation, fire prevention, safety, and the welfare of the citizens of that community, must be the first step in the program.

In addition to these, as the committee recommended last year, all agencies of Government, such as the Federal Housing Administration, the Federal National Mortgage Association, the advancement of money for loans and repairs, aids to veterans, and all other facilities the Congress can provide toward creating independent home ownership must be used to the fullest extent possible.

Then why indulge oneself in a wasteful, political, and unsuccessful program called public housing? To remove people from one slum area, to begin the creation of another slum area, offers only short-time gain. How much better it would be to engage ourselves in a program of building, or making it possible for people to build low-cost housing, which families could buy on small down payments, or no down payments at all, to be paid for over long periods of time, and thus to create not only the pride of home ownership but the responsibility of home ownership, which is a basis for good citizenship.

PUBLIC HOUSING STARTS

The Congress, however, has a responsibility and an obligation which it cannot avoid and has no desire to evade. An agency, authorized by the Congress, and acting as our agent, committed us, through contracts with local housing authorities, to the construction of a number of housing units, against which there remains an unconstructed balance of approximately 33,000 housing units. Whether we like such a program, or whether we do not like such a program, the Committee on Appropriations feels that this must be considered an obligation, requiring fulfillment with any local authority which still desires these units to be built. It is believed that some local authorities, or the people of the communities in which these local authorities are located, upon further investigation of the costs, as compared with private construction, and the problems created by some of these local housing programs, will voluntarily cancel out. Los Angeles has already done so. Other communities have done so. If they do not voluntarily cancel out, then the Congress must recognize this obligation as a firm one.

All of this was discussed at some length during the hearings a year ago, and I now state this to be my position personally, as I so stated it a year ago, and to be the position of the Committee on Appropriations, as evidenced by this bill. We have, therefore, in the present bill, suggested on page 17 of the report, and on page 31 of the bill, that the Public Housing Administration plan to complete these contracts during fiscal 1955 and fiscal 1956, and that not more than 20,000 of the units be started during fiscal year 1955, and, to quote the report, "that this be the end of the program."

The Committee on Appropriations believes that the solution of the low-cost housing problem and of the slum-clearance problem are one and the same, and that every asset of the Government should be directed to a united program, to this end, but that the public housing program, as we now know it, should be replaced by a low-cost home ownership program. We must not be misled by the fallacy that this public housing program, of which we are now talking, reached the low economy groups in the slums.

INTERSTATE COMMERCE COMMISSION

The Department of Defense is not the only department or agency in the Government which has the right to pride itself on a New Look. The Interstate

Commerce Commission has a New Look which should give it increased efficiency as the months go by and put it back in good standing before the Committee on Appropriations and the Congress. For several years, the Committee on Appropriations has been severely criticized, and has been the subject of carefully engineered campaigns, which brought letters from transportation associations, and even full-page advertisements paid for by a great national union, charging the committee and the Congress with inadequate appropriations for the ICC. The subcommittee now steps forward, on behalf of the Congress, to give one example, Mr. Chairman, which we believe will put the argument quickly in focus. The committee has been concerned, for a number of years, over the backlog which has been accumulating in the so-called section of complaints, in the Bureau of Motor Carriers. In the fiscal years 1951, 1952, 1953, and again in 1954, the Committee on Appropriations called attention to an unhealthy condition, and actually earmarked in 3 of those years, during that period, a total of \$659,326 in additional funds, over and above the requests which came to us through the Bureau of the Budget, in order to correct this condition. We saw no results. We saw pressures imposed upon the Congress. Last year the subcommittee suggested it would have little interest in larger appropriations until efficiency was substituted for inefficiency in the ICC.

If you will turn, Mr. Chairman, to pages 580 and 583, part 1, of the hearings, you will see that we appropriated, over and above the budget request, a total of \$659,326 for the purposes indicated. If you will then turn to page 585a of the hearings you will find a letter from the present Chairman of the Commission, telling the committee quite frankly that this money was used for other purposes and not for the purpose for which it was appropriated. The excuse given for this disregard of the stated desires of the Congress was that we had not earmarked the money. Since we had reduced the total budget request of the ICC, the Commissioners decided, and presumably were advised by their solicitor, that they could use the money appropriated, for any purpose, without regard to the intent of Congress.

You will find, in this bill, that \$1,100,000 has been earmarked for the section of complaints of the Bureau of Motor Carriers.

TENNESSEE VALLEY AUTHORITY

I move rapidly to the Tennessee Valley Authority. I presume there will be some discussion here, because we have included in the bill two recommendations for which we ask your most earnest consideration and support. My serious request, Mr. Chairman, is that Congress approach the suggestions with an open mind and not on the basis of any rumors the Members may have heard regarding this appropriation bill or the suggestions which might be included in it.

The Committee on Appropriations has neither the intention nor the desire to destroy the Tennessee Valley Authority. To use a homely expression, we have no

thought of sending this calf to the butcher, all we are trying to do is to wean it.

The Tennessee Valley Authority asked the Congress for new money to the amount of \$141,800,000. We have recommended new money in the figure of \$103,582,000. The difference is \$38,218,000. Let me break this down to assure you, Mr. Chairman, that this is not the denial of money needed for the operations of the TVA.

Of this reduction of \$38,218,000, the following items were authorized, but are to be paid out of the corporate funds of the TVA, and not out of new money appropriated in this bill:

Transmission facilities, \$12 million.

Site improvements, \$152,000.

Investigations incident to future projects, which certainly can wait for later expenditure if needed in the future, \$125,000; and one-half of the requested estimates under the head of "General facilities," \$211,500.

Total, \$12,488,500.

We now have to account for a remaining reduction of \$25,729,500.

Of this amount, \$729,500 represents the only specific denials of requests by the Committee on Appropriations, as follows:

Resource development, of which I shall speak in a moment—but please note that we approved an equal amount from corporate funds—\$600,000.

Distribution of administrative expenses—not a very large amount—\$40,000.

The committee also denied 111 new automobiles, but we did allow 100 new automobiles in the fleet of 850 or more now owned by TVA, exclusive of trucks, \$89,500.

Total, \$729,500.

This leaves an even \$25 million to be accounted for. Regarding this amount, the situation with TVA is much the same as with the AEC. The TVA has had large operating and construction funds, and on the record enters fiscal year 1955 with an estimated cash balance of \$309 million.

TVA shows in its records that at the end of fiscal 1955, that is, on June 30, 1955, it expects to carry into fiscal year 1956 a cash balance of \$46,817,712.

The Committee on Appropriations recommends that the \$25 million above referred to be taken from this cash accumulation and not be voted in this bill in new money. I am sure the Congress will agree.

The Committee on Appropriations also believes that certain expenditures should be made by the TVA out of its corporate funds, rather than have the agency come back to Congress each year for appropriations to cover this group of expenditures.

This is the weaning process.

Certainly the costs of what TVA calls resources development, for which \$1,200,000 was requested, \$600,000 out of the operating expenses and \$600,000 in new money appropriated by the Congress, is an item for local decision and expenditure. A year ago the Committee on Appropriations served notice on the TVA that it would not continue to appropriate money for this program. In all other

States this is a local, State, or operating cost. I reported to you, as I recall, Mr. Chairman, that I had been visited by representatives of several municipalities and the State of Tennessee, all of whom protested the cut only on the grounds that they had not been given notice. The committee was assured that the State and the local agencies would add these costs to their own budgets, if we would appropriate enough money to permit them to carry the plans through the current fiscal year. This we did, in conference. We now find that, instead of picking up this item as a State, local, or TVA expenditure, the Tennessee Valley Authority comes to us again and asks for appropriated money for something which by every possible interpretation is a local matter. The committee has removed the \$600,000 requested in new money, but has authorized the expenditure from TVA's operating expenses of the amount requested from those funds.

I now come to the two new proposals. For years the Tennessee Valley Authority has taken money from the taxpayers of the United States, through the Federal Treasury, to construct power facilities. The total asset value of the TVA, according to the table on page 44 of the 1953 report, is \$1,061,763,319. The only amount to which this interest recommendation would apply would be the total of \$850,548,741, covering the transfer and construction of properties, and I am taking for granted that this refers to power facilities. The suggested action of the Congress refers only to power facilities.

We must deduct from the above figure a credit of \$50,059,019, the only money returned by TVA to the United States Treasury. I place the amount on which TVA would pay interest in fiscal 1955 as approximately \$800 million, decreasing from year to year in the future, if there are no further expenditures from appropriations for powerplant construction. Additional appropriations would increase the figure, additional repayments to the Treasury would decrease it, each year.

Every Member here, Mr. Chairman, knows that, to secure this money for the TVA, the Federal Treasury has been compelled to go to the taxpayers of the United States, and to borrow money, and to pay interest on that money. It was necessary recently to raise the interest rates, to get the money, in the face of years of deficit financing.

I am sure the self-respecting citizens of Tennessee and the other States served by the TVA, would not expect this to continue indefinitely.

The Committee on Appropriations proposes, in this bill, that the Tennessee Valley Authority shall pay interest, at the same rate as paid by the Treasury in getting the money for them, or continuing to loan it to them, on such balance as remains unpaid. This applies only to money advanced for the construction of power facilities. It starts now, and no attempt is made to collect interest prior to fiscal year 1955. The total interest is less than \$24,000,000 for the fiscal year 1955. This is not a severe burden for the TVA to assume. It could serve as an

antidote against the increasing criticism developing against TVA because of its expanding power program. Eight years ago all power was created by TVA from hydroelectric sources. When the present program is completed, and without any additional units 70 percent of the power produced and sold by the Tennessee Valley Authority will be produced by steam plants. This was never dreamed of when the project was first proposed.

The committee submits the proposition to you in simple fairness to the taxpayers of the United States. How can any Member of Congress, or any citizen of the TVA area, object to paying the same interest for the money loaned to the TVA, that the Treasurer of the United States is compelled to pay on the money he borrows so that the TVA may have that money for its power development.

I repeat, this suggestion applies only to money loaned to the TVA for the construction and development of power facilities. No account is to be taken of the money advanced to the TVA for river improvements, navigation purposes, flood control, or other work not directly connected with power development.

RESALE OF POWER

The other suggestion in the bill is equally simple and understandable. At the present time the Tennessee Valley Authority has the right to control not only the price it charges for power sold to the municipalities, but may, under an interpretation of the law and by writing the control into the contracts, control the prices for which that power is resold by the municipalities. If a community in Tennessee, for example, wishes to add a mill or any small amount, to the price it charges its citizens for power, in order to build a schoolhouse, or to pay any community obligation, or to provide greater police protection or other municipal service, it has no authority to do so, and in one case recently, a Tennessee community was taken into court by the TVA and prohibited from making an additional charge.

This is opposed to every principle of independent and representative government. Many a community in the United States—and I myself once served on a city council—carried itself through the depression years, against the tax limitations imposed by laws of the States in which these communities were located, by adding a small amount to the charges for the electricity it distributed.

Such a suggestion does not endanger the availability of power, or a reasonable cost of power. The protection against that danger lies with the greatest control possible under representative government, the vote. No charges can be made and sustained in any community without the approval of the people of that community. If charges were imposed which did not have the approval and support of the people of the community itself, the city trustees, or whatever they may be called in the TVA area communities, would be retired at the next election.

I would suppose that every municipality in Tennessee would welcome this provision in the present bill.

VETERANS' ADMINISTRATION

The Members of the Congress, Mr. Chairman, will undoubtedly remember that we had some discussion on this subject a year ago. Now that it is all over, I look back with some amusement, as do the other members of my subcommittee, and undoubtedly many Members of the Congress, to the fact that most of the telegrams and letters we received, protesting the cuts in the appropriations for the Veterans' Administration, were sent before the Subcommittee on Independent Offices had received the revised budget requests from the Bureau of the Budget. Today the great majority of the veterans of the United States are solidly back of the Congress in the budget proposals made a year ago, and which are being carried out in the present fiscal year. Veterans' organizations, whose concerns, in some instances, were responsible for the pressures applied against the Congress, have now, with commendable frankness and courage, stepped up and admitted that it was a good budget.

This year the committee takes another step toward an improvement in the VA budget. Last year, in order to separate the appropriation for hospitalization, from the items which had previously been found in an all-inclusive budget item, we set up a line item for hospitalization, in the general medical and surgical neuropsychiatric and tuberculosis hospitals; then another line item for care of veterans in the domiciliary homes; another line item for the cost of contract beds, not in veterans' hospitals, and line items for other appropriations previously contained in the omnibus figure.

This year we have included in one item the cost of hospitalization in general medical and surgical neuropsychiatric and tuberculosis hospitals, and, in the same item, the cost of operating the domiciliary homes, and the cost of contract beds. It is obvious that this will give a little more flexibility to the Veterans' Administration in handling veterans who may need to be transferred between one category or the other, and I myself saw the advantages of greater flexibility, when I visited several hospitals. Combining those 3 figures gives us, as you will see on page 29 of the report, a total figure of \$598,127,000. This is \$6 million less than the original budget request for these 3 items. That reduction is made with the approval of the Veterans' Administration, as indicated in the letter which appears in the hearings at page 1708 of part 2. In other words, we have again taken the figure of the Veterans' Administration as to the amount that agency needs for the operation of the number of beds it has indicated for fiscal year 1955. However, we have taken the number of beds occupied, rather than the number of beds activated, and this also is on the recommendation of the Administrator of the VA. The figure is 127,000 occupied beds.

POSSIBLE ECONOMIES

It should be pointed out however, that the amount of money we have supplied is still in excess of the amount of money which will probably be needed during

fiscal year 1955. To begin with, there will be a balance in the Treasury at the end of fiscal 1955, presently estimated as \$8 million or more. In addition to that, a careful reading of the hearings, when the Veterans' Administration representatives appeared before the subcommittee, will display a number of areas, in which these officials admitted quite frankly there were possibilities of savings. Tomorrow, I will review very quickly, an analysis made by the task force, assigned to the subcommittee by the chairman of the Committee on Appropriations, for a management survey of the veterans' hospitals.

In brief, this will show that many of the criteria, formerly thought to influence hospital costs, actually have little influence. It does not make much difference for example, where a hospital is located, nor whether it is near a medical center, nor do certain other factors affect the daily cost per patient. The differences in cost, per patient per day, boil down conclusively to management. To indicate the conclusions on these large sheets which I now hold up before you, if we could bring up the efficiency of the lowest 25 percent of the general medical and surgical hospitals to the average efficiency of the top 75 percent, the saving could be in the neighborhood of \$10 million. Please understand that this removes, before the analysis is made, those hospitals we have always looked upon as white elephants, where the operating costs are obviously out of balance as compared to other VA hospitals. It is admitted that this can be done by the simple procedures of comparison, morale, incentive, and the other factors so familiar in industry. There is no reason in the world why this saving should not be closer to \$20 million a year than \$10 million a year, when increased responsibility is given to the managers of the various hospitals of all categories, and some such plan as this carried out. I have talked to managers about the possibilities of increased responsibility both in management and buying, and have found them unanimously enthusiastic on this subject.

Therefore, Mr. Chairman, the Congress may have no concern over the appropriations for the Veterans' Administration for fiscal year 1955; the only question is whether or not we have appropriated too much money. The Committee on Appropriations is willing to let this question rest until the agency comes before us again a year from now.

COMPENSATION AND PENSIONS

There was a little attempt to create controversy on this item last year, but it soon died out in spite of the efforts of a circulation-promoting veterans' newspaper to keep the question alive. The Congress appropriate \$2½ billion a year for compensation and pensions to veterans under benefits programs established by the laws we have passed. There is no desire on the part of the committee to deprive any veteran, eligible to such payments, of the money due him. As I said a year ago, it is simply a question of calculating the amount of money needed. We suggested a year ago and suggest again this year

that a review of the papers and files of the veterans receiving these benefits would be very much in order. An examination of only a thousand files in the local area established a total of 21,460 overpayments to the veterans on this list, taken at random and an underpayment of 6,600 to veterans in the same group—page 1985, volume 2. Perhaps this fact, more than anything I could say, would indicate that the intent of the committee is to provide for accuracy in the payments, and is not simply an attempt to cut down an appropriation.

Last year the committee reduced the estimate by \$300 million. In a recent supplemental bill we returned \$215,000 of that reduction. The net gain to the taxpayers was therefore \$85 million. This year, with further evidence that a review of this program is desirable, the committee has reduced the amount only \$100,000, and will, as it has done for many years now, recalculate the figure when we come back next year.

This concludes my preliminary statement the independent offices appropriation bill for fiscal year 1955.

Mr. MARTIN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I am very glad to yield to the gentleman from Iowa [Mr. MARTIN] who has always been interested in the stockpiling program.

Mr. MARTIN of Iowa. I noticed in the bill that you have an item of \$27,600,000 which seems to be a cut in the appropriation.

Mr. PHILLIPS. The gentleman is referring to an item of \$27,600,000 which appears to be a cut in the appropriation bill and is about to ask me, I take it, an explanation of that?

Mr. MARTIN of Iowa. Yes; I should like an explanation of that item because, as the gentleman knows, I am very much interested in the progress of our stockpiling program as I know the gentleman from California is too. I notice there are no new funds appropriated, but there is an earmarking of \$27 million. I should like the chairman of the subcommittee to explain the action taken. I know the gentleman has a very real understanding of this program, and I have on many occasions commended the gentleman very highly for the good work he has done in the field of stockpiling. I should appreciate an explanation.

Mr. PHILLIPS. On behalf of the committee, I thank the gentleman. We have always asked him for advice. I notice the gentleman from California [Mr. ENGLE] has risen. Is he about to ask the same question?

Mr. ENGLE. Yes; and some others, if the gentleman will yield to me.

Mr. PHILLIPS. Let me answer this question first, briefly. There is a present balance in the fund of about \$300 million. The Bureau of the Budget sent up a request for \$27,600,000 to retire contract authorizations, that is, to implement contract authorizations. After the bill came up, it was discovered that the probable amount which would be needed for 1955 would be, in round figures, \$250 million. Therefore, with no objection that we have heard, and after

consultation with the Treasury, and with the General Services Administration, and others, we are taking the \$27 million authorization-implementation against the money in hand. I do not need to tell you that the head of the General Services Administration knows that at any time he finds he is running short of funds he will have just as little difficulty as his predecessors had in getting the necessary money.

Mr. MARTIN of Iowa. That is in accordance with my observation. That is why I feel satisfied with the gentleman's explanation at this point. I have found from past experience that when they do need more funds the Committee on Appropriations under the gentleman's chairmanship lend a very attention ear to their request.

Mr. PHILLIPS. I want to compliment the Administrator of the General Services Administration and those working on the strategic and critical materials program on being so much further ahead in the program than they were a year ago.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Illinois.

Mr. YATES. I was under the impression as a result of what transpired in the hearings that the Office of Defense Management had originally asked the Bureau of the Budget for \$309 million for the purpose of purchasing strategic and critical materials. Two weeks later, however, as the result of conferences with the Bureau of the Budget, that request was changed so that the General Services Administration asked us for only \$199 million. In the 2-week intervening period apparently there was some kind of a reappraisal which took away over \$100 million for the purpose of purchasing strategic and critical materials.

Mr. PHILLIPS. That is correct, as I understand the situation.

Mr. YATES. The explanation that was given us in the hearings was that the reappraisal goes on constantly, and as a result of conferences with the Bureau of the Budget they felt it should be cut by over \$109 million.

Mr. PHILLIPS. Yes; but the supplementary conferences, which the gentleman says go on all the time, apparently indicated there might be a need for about \$250 million of the \$300 million on hand, and that the \$27,600,000 could very well be taken out of that fund, too. It keeps us from having to appropriate new money.

Mr. YATES. The thing that gives me pause as to the testimony that was given to our committee was the statement I saw in Saturday's night's paper that the President of the United States was requesting additional funds for the purpose of purchasing strategic and critical materials. I wondered why the request was not made of our committee. It seems to be a reversal.

Mr. PHILLIPS. I think there may be a little confusion about it. I think that is the conference I had reference to, and that whoever gets out the notice may not have been fully aware that there were funds available, that those were

to be spent especially for certain areas of strategic materials, which I am prohibited from discussing on the floor.

Mr. ENGLE. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from California.

Mr. ENGLE. Referring to the \$27 million mentioned on page 24, do I correctly understand that that is a limitation on the liquidation of the existing contractual obligations?

Mr. PHILLIPS. It is no limitation, it is the amount needed to liquidate current authorizations.

Mr. ENGLE. What I had in mind was the chrome stockpile at Grant's Pass, in which the people of northern California are very much interested.

Mr. PHILLIPS. There is no time limitation.

Mr. ENGLE. I understand it is not a limitation on that activity as it has heretofore gone along.

Mr. PHILLIPS. I hope the gentleman will use his very real influence to get in more material rather than to think there is any limitation on it.

Mr. ENGLE. We are trying to do that.

The gentleman from Illinois has cleared up the other item. I understood there had been a \$100 million cut in the requested amount. The gentleman explains that they revalued it, and in the light of what their anticipated needs are there is sufficient money in this bill, and that it is the purpose of the committee, following up the statement made by the White House on March 26th with reference to strategic and critical materials and metals, to give real impetus to the acquisition of these materials domestically, and from the domestic industry insofar as possible.

Mr. PHILLIPS. If there is not money enough, I suspect you will hear from us in the last supplemental bill in July.

Mr. PRICE. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield.

Mr. PRICE. It may be sufficiently clear to the gentlemen who have been questioning you as to just exactly what the situation is, but I am afraid it is not too clear to the average Member of the House who has not been in close contact with this situation. You stated there was about \$305 million. I still do not think the matter is sufficiently clear.

Mr. PHILLIPS. In round figures, it is about \$300 million.

Mr. PRICE. I understood that your statement was to the effect that there was about a \$305 million carryover from the previous appropriations. When the General Services Administration came before your committee, there was a discussion before the committee, and the way I read the report the committee then told them they could go ahead and use up to \$199 million of the \$305 million; is that correct?

Mr. PHILLIPS. Where do you get the limitation of \$199 million? There is no limitation.

Mr. PRICE. I am trying to get a clarification of this situation.

Mr. PHILLIPS. There is no limitation. If they could get the stuff that we

want them to buy and stockpile, they can spend the whole \$300 million, but \$250 million is all GSA thinks it can get. I think they are optimistic. I do not think they can spend all of it.

Mr. PRICE. Will the gentleman explain what the \$100 million cut was that the gentleman from Illinois [Mr. YATES] referred to?

Mr. PHILLIPS. That is Mr. YATES' statement. I will let him explain it. I yield to the gentleman.

Mr. PRICE. I only wanted to get a clarification of this.

Mr. PHILLIPS. I would myself.

Mr. YATES. The testimony in the record shows that the Office of Defense Mobilization requested the General Services Administration, which is the purchasing agency of the Federal Government for strategic and critical materials, or rather authorized them to request \$309 million of the Bureau of the Budget for the purpose of purchasing strategic and critical materials. The Bureau of the Budget, however, did not grant that request. It granted them authority to ask the Committee on Appropriations only for some \$199 million. Apparently for reasons that were not completely explained the \$109 million was dropped. They say it was a reappraisal of the program, I wondered at that time and I wondered now whether or not they felt that they just could not afford to spend the extra \$100 million at this time for the critical and strategic materials.

Mr. PHILLIPS. I think at the time GSA went to the Bureau of the Budget, they did not say they could, but I think they probably knew they could.

Mr. PRICE. What confuses me is where you find that \$199 million. I do not see that anywhere in the bill.

Mr. PHILLIPS. You will have to look in the hearings.

Mr. PRICE. You do not appropriate in the hearings. We appropriate money in the bill.

Mr. YATES. This was a request of the General Services Administration for an appropriation for the purpose of purchasing critical and strategic materials. This was the original request. Where it was in terms of the report, I do not quite know.

Mr. PRICE. Where is it in the appropriation? I do not see it.

Mr. YATES. It is in the justification with which they appeared before our subcommittee.

Mr. PRICE. What I am trying to find out is if it was an appropriation in addition then.

Mr. PHILLIPS. I am not aware that we set any limitation upon the funds previously appropriated, which were appropriated to be available until spent. There is no limitation upon them.

Mr. PRICE. I am not trying to find the gentleman is incorrect. I just want to know where the money is.

Mr. PHILLIPS. Mr. Chairman, I yield to the gentleman from Pennsylvania [Mr. SIMPSON].

Mr. SIMPSON of Pennsylvania. On page 141, the figure \$301 million plus, is referred to as available for strategic and critical materials. Can the gentleman

give me information as to where that money will be spent and whether it will be spent in the United States or abroad?

Mr. PHILLIPS. I do not think there is any limitation upon that.

Mr. SIMPSON of Pennsylvania. There is no limitation so far as the gentleman knows as to whether it could be spent in the United States or worldwide.

Mr. PHILLIPS. The gentleman well knows that we are not getting all the materials in the United States, and I cannot discuss it any further.

Mr. SIMPSON of Pennsylvania. I thank the gentleman.

Mr. PHILLIPS. Now I can answer the gentleman from Illinois. What he referred to was a suggested limitation in the original budget message. But that is not a part of our bill.

Mr. PRICE. Perhaps I did not make myself clear. I think the gentleman stated that there was \$305 million available from previous appropriations. Is that amount still available?

Mr. PHILLIPS. Yes, that is my understanding.

Mr. PRICE. In this bill there are no new moneys appropriated for strategic materials and stockpiles?

Mr. PHILLIPS. That is correct.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield.

Mr. JOHNSON of California. In the law which you referred to of July 23, 1946, it was provided that in collecting strategic materials, a report should be made every quarter and filed with the Committee on Armed Services of both Houses of the Congress.

I assume the amount you appropriate here includes the estimated acquisition for the coming year?

Mr. PHILLIPS. That is correct.

Mr. JOHNSON of California. I was once a member of the subcommittee, and they came to us about every 3 months. Three years ago the piles were very, very low. Have they come up to the anticipated size supposed to be?

Mr. PHILLIPS. No. They are still moving up but slowly, but with much more rapidity than last year. We are encouraged.

Mr. JOHNSON of California. With your present setup, it is far better than they had before. They go through fewer hands and have more direct action.

Mr. PHILLIPS. I agree with the gentleman.

Mr. SCUDDER. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from California.

Mr. SCUDDER. Has there been any consideration for the establishment of further stockpiling depots? I have in mind up in the northern part of California, particularly in Del Norte County there are very large deposits of chrome. That is located about 10 miles from the shipping point at Crescent City Harbor. They have to haul that chrome back almost a hundred miles to stockpile it and it makes a very expensive operation.

Mr. PHILLIPS. I would not say there has been no consideration given to it, because obviously General Services Ad-

ministration and the administrators of the stockpiling fund must have that in mind all the time, but there is nothing in this bill or in the report about it.

Mr. POFF. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Virginia.

Mr. POFF. I wonder if the gentleman can tell me whether GSA made any request for additional funds for the purchase of manganese.

Mr. PHILLIPS. I could not tell you now. I could not very well discuss that here.

Mr. JONAS of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from North Carolina.

Mr. JONAS of North Carolina. The gentleman stated, I think, that if the original program had been carried through it involves the building of some 800,000 public housing units.

Mr. PHILLIPS. That is correct.

Mr. JONAS of North Carolina. The cost would have been \$335 million a year and that would continue for 40 years, as I understand.

Mr. PHILLIPS. That is correct.

Mr. JONAS of North Carolina. After which who would own the housing units? Would they come back to us and when I say "us" I mean to the Government?

Mr. PHILLIPS. The gentleman from North Carolina well knows that after 40 years nobody would want to own them.

Mr. JONAS of North Carolina. But as a matter of fact, to be entirely accurate, the Public Housing Authorities would own them and the amount the Government contributed would be a complete subsidy and no part of it would come back.

Mr. PHILLIPS. The gentleman, of course, is correct. This is a subsidy by the Federal Government. The housing will be owned by the local housing authorities.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield.

Mr. MULTER. Mr. Chairman, having in mind that the former Administrator, former Congressman Cole, was a member of the House Committee on Banking and Currency at the time that report he referred to 4 years ago was made, does not the gentleman think it is fair to assume that President Eisenhower had in mind all of those facts and figures when he sent this Congress his message on housing and asked for 140,000 units to be built during the next 4 years?

Mr. PHILLIPS. There have been so many assumptions made by both the gentlemen mentioned and what their opinions are, that I do not think I want to enter the area of assumption. I will largely stick to facts I know to be true.

Mr. MULTER. Mr. Chairman, will the gentleman yield further?

Mr. PHILLIPS. Yes, willingly.

Mr. MULTER. Is it not a fact that Mr. Cole as Housing Administrator came before your committee as he did before the House Committee on Banking and Currency and urged the enactment of President Eisenhower's recommendation to the extent of 35,000 units to be built each year for the next 4 years?

Mr. PHILLIPS. That is a fact. Also it is a fact that under the Constitution the House of Representatives makes the final decision upon that subject, and matters of this kind were specifically reserved in the Constitution to the House of Representatives. Mr. COLE having been a Congressman was well aware of that fact.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield.

Mr. YATES. Did not Congress pass last year the Independent Offices Appropriation Act of 1954 containing a provision by the Congress that it proposed to look again at the public housing program and have the recommendation of the Home Housing and Finance Administrator this year? Presumably the Congress would not have pursued that kind of action if it had not intended to listen to the recommendation of Mr. Cole, would it?

Mr. PHILLIPS. Is the gentleman from Illinois suggesting that every time the House of Representatives says to an agency of government: Will you please look into this condition? that we have obligated ourselves to enact the recommendation of that report without any consideration and decision by us?

Mr. YATES. The gentleman from Illinois is suggesting that it is at least a moral obligation on the part of Congress when it puts language like that into a law to have an open mind with respect to the problem and not just arbitrarily say that no matter what they recommend we will not take the recommendation?

Mr. PHILLIPS. The gentleman well knows that the subcommittee approached this subject with an open mind. The overwhelming majority of the Congress in several sessions has indicated that it did not want public housing. So I say that under the mandate given us by those sessions there would be no public housing starts in the bill now before us. Our committee, of which the gentleman is a distinguished member, felt that we should include in the bill 20,000 starts. I understand that the Rules Committee felt otherwise and has given us no rule.

Mr. YATES. As a matter of fact, the 20,000 starts that are proposed in this bill are the subject of firm commitments between the Federal Government and the local housing authority; they are part of some 35,000 units approximately that are still the subject of contract between the Federal Government and the local housing authorities. Those contracts have been sustained by decision of the Comptroller General of the United States as being valid and binding contracts. It seems to me that if we are going to recognize our commitments, as we certainly should, we ought to authorize the construction of the number of units covered by those contracts.

Mr. PHILLIPS. The gentleman knows I am in full agreement that these are obligations that have been designated as obligations by the Comptroller General. I said this year and last year they were a moral obligation. It would be completely out of order for any of us to criticize the Committee on Rules.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from New York.

Mr. MULTER. Having in mind that the President sent Congress a special message on housing, including a reference and recommendation about public housing, which was referred to the Committee on Banking and Currency, does the gentleman not think that his committee has invaded the jurisdiction of that committee in acting upon the question of whether there should be any future public housing?

Mr. PHILLIPS. I presume the gentleman held to the same attitude and support when he voted on the tax bill recently, which was stated by the President to be a much more important matter than the housing problem? How did he vote on the motion to recommit the tax bill?

Mr. MULTER. On the motion to recommit the tax bill, of course I voted to recommit it with instructions so that the mass of the people got the advantage of the tax reduction or exemptions before you gave it to any selected group. But what has that to do with this question? That bill came from the Ways and Means Committee. I am talking about the Appropriations Committee invading the jurisdiction of another committee.

Mr. PHILLIPS. There is no question about the gentleman's good intentions on any vote he cast. My reason for mentioning that was that the gentleman stated that we should in this matter support the President of the United States, as I understood him.

Mr. MULTER. Support him whenever in conscience you think he is right and not when you think he is wrong.

Mr. PHILLIPS. I thank the gentleman very much.

Mr. MULTER. The gentleman has not answered the other question, if I may pursue it. Does not the gentleman think his committee invaded the jurisdiction of another committee of this Congress in reporting to the Congress and asking the Congress to enact legislation as to a future public housing program?

Mr. PHILLIPS. We invade the jurisdiction of any other committee when any legislation is put in this bill, but we never do it just de novo with nobody knowing it is going to be there.

Mr. MULTER. My only suggestion is that maybe we should rewrite the rules of the Congress.

Mr. JONAS of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from North Carolina.

Mr. JONAS of North Carolina. Is it not at least legally doubtful whether our committee had any authorization, in view of the language in the bill a year ago which passed both houses of Congress, to go beyond those 20,000 units?

Mr. PHILLIPS. The answer is yes.

Mr. YATES. It could have gone to 35,000, which is the number of units under commitment.

Mr. JONAS of North Carolina. It is the intention of the committee to go to 35,000 units this year and next year because we are legally or morally obli-

gated, as the chairman of the subcommittee stated, for that many units.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from California.

Mr. JOHNSON of California. The statement that the gentleman made in regard to slum clearance reminds me of the situation existing in the city of Stockton, Calif., about 20 years ago, when I was attorney for that city. The answer that the gentleman from California [Mr. PHILLIPS] gave is the exact answer that our city gave; that we would take care of the slums in Stockton, and we did not think the National Government should invade our jurisdiction, and that has proved to be very successful in our particular case.

Mr. PHILLIPS. I thank the gentleman. The suggested action of the Congress refers only to power facilities.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Mississippi [Mr. ABERNETHY].

Mr. ABERNETHY. I assume that the gentleman will concede that that language is legislation on an appropriation bill?

Mr. PHILLIPS. I will concede that.

Mr. ABERNETHY. Will the gentleman inform us what is the hurry in bypassing the Committee on Public Works, which has jurisdiction of that particular legislation?

Mr. PHILLIPS. I do not know that there is any particular hurry. We deal with money. We appropriate money for the Tennessee Valley Authority, and have over the years. This has been a recurring discussion before our committee, and it seems to me a very appropriate place to put it in the bill which supplies money to pick up the deficit check year after year of the Tennessee Valley Authority.

Mr. ABERNETHY. I do not understand how the gentleman could contend that this is an appropriate place to put it when he has just conceded that it is legislation on an appropriation bill, and would be subject to a point of order. It would be, would it not?

Mr. PHILLIPS. I cannot take the place of the Parliamentarian, but I would expect the Parliamentarian to rule with the gentleman from Mississippi [Mr. ABERNETHY].

Mr. ABERNETHY. Will the gentleman yield further for a question?

Mr. PHILLIPS. Yes.

Mr. ABERNETHY. It is a fact, is it not, that the President in his budget message stated that his administration was making a study of this particular point to which the gentleman has just addressed himself; and is it not also a fact that the President stated that at the conclusion of that study he would submit recommendations to the Congress; is that not true?

Mr. PHILLIPS. I do not recall the wording of the message; if the gentleman says that was it, I take it that it was.

Mr. ABERNETHY. It is included in the gentleman's report.

Mr. PHILLIPS. I accept the gentleman's statement.

Mr. ABERNETHY. If that is true, and the gentleman included it in his report, what is the hurry of the gentleman and his committee in bypassing the study which his President and our President stated that he was making of this matter?

Mr. PHILLIPS. The only answer I can give is that there appears to be so little opposition to the idea generally even from some Members of the House from the wide area of the South that this seemed to us like a very good idea and we put it in the bill. If I am correctly informed that there is to be no rule on the bill, it seems to me we may be indulging in an academic discussion.

Mr. ABERNETHY. I realize that, but what I cannot understand is this. The gentleman stated that there was little opposition. Is it not true that the Members of the House had no information whatsoever that the gentleman's committee was dealing with this subject, particularly a subject the jurisdiction over which is in another committee of this Congress? We had no information that the gentleman's committee was dealing with this subject, did we?

Mr. PHILLIPS. Does the gentleman read the papers?

Mr. ABERNETHY. Yes, the gentleman from Mississippi reads the papers. But the gentleman from Mississippi also knows that the hearings of the Appropriations Committee are conducted in secret, in executive session. I think we all know that no one knew that any other legislation which the gentleman has included in this bill was being considered in the gentleman's committee. I think the gentleman would concede that.

Mr. PHILLIPS. Let us not make it quite so broad—any other legislation. Most of these matters have been in here year after year, since the memory of man runneth not to the contrary. We are talking about the TVA.

Mr. ABERNETHY. Is it not true that not a single, solitary witness was called before or appeared before the gentleman's committee on these particular points?

Mr. PHILLIPS. No; I should hardly say that. We had the Governor of Tennessee, the mayors of practically all of the principal cities.

Mr. ABERNETHY. And they appeared on the question of an appropriation, on the amount that should be appropriated.

Mr. PHILLIPS. The hearings will divulge that this matter of interest was mentioned at that time.

Mr. JONAS of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from North Carolina [Mr. JONAS] who may wish to answer the gentleman from Mississippi [Mr. ABERNETHY].

Mr. JONAS of North Carolina. I ask the chairman of the subcommittee whether or not it is true that we charge the veterans interest on the money that we lend them; we charge the REA interest on money we let them have; we charge the farmers interest on money we lend them; and is it not a fact that we,

in the subcommittee, just feel that the TVA ought to pay the Federal Government the amount of interest we have to pay on our bonds to furnish capital for TVA?

Mr. PHILLIPS. As I understand the gentleman from Mississippi [Mr. ABERNETHY], he is not at the moment specifically speaking to whether or not interest should be charged, but to the fact that the provision appears in an appropriation bill.

Mr. ABERNETHY. The gentleman has properly interpreted my position.

Mr. ABERNETHY. I will object at the proper time. The point I am making now is that the gentleman's committee—I will not say has slipped around, because that would not be appropriate, and I know the gentleman would not so do—but it did avoid and go around the Public Works Committee and bring this legislation in on an appropriation bill. I think the gentleman will also concede that no one who was actually interested in this subject except possibly the members of the gentleman's committee, had any information whatsoever that this particular legislation was being considered; otherwise we would have made some complaint.

Mr. PHILLIPS. And the other people, too, who read the Tennessee newspapers? Will the gentleman include them in the group?

Mr. ABERNETHY. I might say to the gentleman that I have not seen a thing in any of the papers released by him as chairman of the committee or any member of his committee to the effect that you were considering this legislation. I take it that if you had released it you would have been violating the rules of the committee, inasmuch as you conduct your hearings in executive session.

Mr. PHILLIPS. The gentleman's point is well taken.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Tennessee.

Mr. PRIEST. The distinguished gentleman from North Carolina [Mr. JONAS], a member of the subcommittee, just a moment ago referred to the fact that when we lend money to the Rural Electrification Administration, interest is paid on it. That is true, but when the facilities for which this money is loaned are completed, to whom do they belong? To the REA cooperative. That is true, is it not?

This money is not loaned to the Tennessee Valley Authority. When all of the facilities for which the funds were appropriated have been completed, the properties belong to the Federal Government and not to the people of that region. That is not an apt analogy that the gentleman makes, is it? Can it be said that this is in the same category as a Rural Electrification Administration loan?

Mr. PHILLIPS. Does not the gentleman think it is? Does the gentleman think that 40 years from now, or more than that, when we have paid out all of this money and have received no in-

terest on it, those facilities will still be of value to the United States Government? They will be of value only to a little area in the Tennessee Valley. Furthermore, if the gentleman will consult with the Joint Committee on Atomic Energy, they will probably tell him that the facilities will be out of date by that time.

Mr. PRIEST. I cannot quite accept the gentleman's viewpoint in what he has just said. It seems to me that any effort to draw the analogy drawn by my good friend, Mr. JONES, is not an apt one. He himself, on questioning about the housing program just a few minutes ago said, "When these units are completed and after the amortization, to whom do they belong? They belong to the people back there." That is an entirely different category. This is a national asset. It belongs to the Federal Government. We are not lending the Tennessee Valley Authority money to do the job. It is in an entirely different category, as I see it.

Mr. COTTON. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from New Hampshire.

Mr. COTTON. Referring to the question of the gentleman from Mississippi, may I ask the chairman of the subcommittee this: Was it not a fact, first, that the Tennessee Valley Authority was asking the Committee on Appropriations of this House to recommend new money for the TVA?

Mr. PHILLIPS. That is correct.

Mr. COTTON. Was it not also a fact that we recommended that this Congress give them some new money?

Mr. PHILLIPS. That is correct.

Mr. COTTON. Was it not a fact that in the very discussions leading up to giving more money from the Government, or lending or furnishing more money to the TVA, as a matter of compromise in giving it new money it was suggested that we suggest to the Congress that the Federal Government be reimbursed for its interest?

Mr. PHILLIPS. That is correct.

Mr. COTTON. Would it not be perfectly within the province of this Appropriations Committee, regardless of the Public Works Committee or anybody else, to decline from this day onward to recommend any new funds for TVA if they do not care to pay interest on them?

Mr. PHILLIPS. Yes, I think that would be a correct and fair statement.

Mr. PRIEST. The gentleman mentioned a moment ago that the Atomic Energy Commission had said that in 40 years the facilities would be obsolete. Was that the substance of what the gentleman said?

Mr. PHILLIPS. That is putting it rather more firmly. I said that we might learn some interesting things if we consulted them.

Mr. PRIEST. I just want to suggest to the gentleman that if we waited for a 40-year period to end on every program to see whether we would continue it or not, it would not be necessary for us to be in session here for the next 40 years. If we waited that long to see whether we were making progress, we would not have to be in session for the

next 40 years. That does not strike me as a very logical argument, I might say to my good friend.

Mr. PHILLIPS. We want progress, but we want a little interest in the interim.

Mr. JONES of Alabama. I understand the chairman to say that the reason the interest provision was written into the bill was at the request or the solicitation of southern Members.

Mr. PHILLIPS. No, decidedly not. The gentleman well knows that that is not a statement of fact, and if I was understood to say that, I am glad to clarify it. I said that there were many Members south of the Mason-Dixon Line who believe that it would be perfectly in order for TVA to pay interest on that money.

Mr. JONES of Alabama. Did any of these Members appear before the committee and make a request that the committee write in an interest provision?

Mr. PHILLIPS. No, they did not. May I say something which I think the gentleman may want to say something about? Does it occur to the Government that when you have an agency of Government that started a development limited to flood prevention and the production of power from hydroelectric projects which in a period of less than 8 years have developed to the point where 70 percent of its power was being produced from stream plants—

Mr. JONES of Alabama. You mean through 1956?

Mr. PHILLIPS. Correct, including 1955—as I was saying, does it occur to the gentleman that when you have the situation which I have outlined, there may be a growing criticism through the country?

Mr. JONES of Alabama. The gentleman realizes too that the private utilities are doing the same thing because we exhausted our hydro in this country and we have got to resort to steam generation. Now the character of TVA is not unique in that field, but the fact remains that there is no request, as I read the transcript, of anybody appearing before the Independent Offices subcommittee and asking for interest to be charged except the utilities around TVA.

Mr. PHILLIPS. There are many things that we have in this bill which the gentleman is in favor of, which are not specifically requested of us. If you confine us only to the requests that are made of us by the Bureau of the Budget or individuals, many constructive things in this bill are going to go by the board.

Mr. JONES of Alabama. The gentleman from California reminds me of a boy who was trying to take a little catfish off the hook and could not get it off the hook, so he pulled out his knife and said, "Be still, little fish; I am not going to hurt you; I am just going to gut you."

Mr. PHILLIPS. I do not think we are going to get this particular catfish, but we are trying. The gentleman certainly does not mean to leave the impression that private utilities have found some way to get money without paying interest on it?

Mr. JONES of Alabama. Of course not. The gentleman from Alabama had

no such suggestion, but why are we at this late date, after this operation has been successful for over 20 years, now coming and casting such reflections on it that it cannot operate economically and that it cannot operate in such a manner as to reflect credit upon the Federal Government.

Mr. PHILLIPS. I thank the gentleman for the expression of his individual opinion.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield.

Mr. CEDERBERG. I noticed with interest the remarks of my colleague the gentleman from Tennessee regarding his opposition to the interest that would be charged to the TVA and that he saw no parallel in the situation with the REA. Would the gentleman agree that if all the other multiple-purpose projects for power throughout the West, for instance, in the Dakotas and the far West were paying interest to the Federal Treasury, and the amount of money were allotted to these REA projects, would he then agree that the TVA ought to pay some interest?

Mr. PRIEST. It is my understanding that some of these projects to which the gentleman referred do pay interest.

Mr. CEDERBERG. They all pay interest.

Mr. PRIEST. I cannot designate, though, which ones do. The gentleman has presented a question that certainly is a logical question to ask in this discussion. My feeling about this being in the bill is that it has not been studied through in connection with the basic act. It has had no hearings on it. There has been no study made as to the relationship it bears to the amortization program as far as I have been able to determine. Under the amortization program authorized in 1948, the TVA is refunding to the Treasury each year an average of about \$22 million. That is what it would run over a 40-year period to amortize the total amount appropriated for power operations. I do not believe there has been any study made as to the relationship between that provision and the interest rate charged here. I say this in all kindness, but it seems to me that this is one move, possibly designed—perhaps not intentionally so—to boost the power rates in an area, to strike a blow at the yardstick that was authorized in the original act when the TVA was directed to furnish as much power as possible to as many people as possible at the lowest rate possible.

The CHAIRMAN. The time of the gentleman from California has expired. The gentleman has consumed 1 hour.

Mr. PHILLIPS. Mr. Chairman, I will have to ask for more time, with reluctance, but we are discussing some things which I had expected the gentleman would discuss on time yielded to them separately.

Mr. Chairman, I ask unanimous consent to proceed for 10 additional minutes.

The CHAIRMAN. Is there objection? There was no objection.

Mr. JONAS of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield.

Mr. JONAS of North Carolina. Just before we get away from the point made by the distinguished gentleman from Tennessee [Mr. PRIEST], would he express the fear that this would result in the raising of rates in Tennessee? I ask the chairman if he does not recall the testimony of Mr. Clapp when he was asked that specific question, and stated that the rates were adequate in Tennessee to pay 2- or 2½-percent interest; and he made the further statement repeatedly throughout his testimony that TVA was earning from 4 to 5 percent on its investment and that it would not be required that the rates be raised if they had to pay interest?

Mr. PHILLIPS. May I finish this first?

Mr. PRIEST. Perhaps I will have more to say in response to the gentleman from North Carolina a little later on in some of my own time.

Mr. PHILLIPS. I appreciate the gentleman's attitude, because the requests to yield put me in a very difficult position, having consumed a great deal of time when my actual part of that time is only about 45 minutes.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Illinois.

Mr. SPRINGER. I just rose for the purpose of asking formally if this bill in any place, either in TVA or otherwise, provides money for any new project.

Mr. PHILLIPS. No; not for newly started units, but it provides money to complete units begun in the previous year.

Mr. BEAMER. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Indiana.

Mr. BEAMER. If some rates might be raised, it might provide a little more accurate and honest yardstick?

Mr. PHILLIPS. The gentleman knows the answer to his own question. We have no really accurate yardstick today, only a complete monopoly.

The other item, as I said earlier in the statement, we had in the TVA part of the bill said that a municipality, that is, a purchaser of power from TVA, could set its own resale rates—I think that is fundamental. I do not think it is very serious, and I shall not be very much upset if it does not stay in the bill, but I think it is fundamental that a municipality shall be entitled to charge what it wants for the power it buys. Many communities in other States have been able to provide parks, schools, and even support some of the community facilities by adding a mill or two. As I said before, this is controlled by the most powerful control known in the political life of America. If a city council were to put on an additional charge for any such purpose and the people thought it was too great, or not what the people approve, the city council would not be re-elected at the next election. I do not know of any better control.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. I appreciate the gentleman's desire to help those of us who live in the valley. Perhaps the gentleman can tell us of one single municipality that requested this authority.

Mr. PHILLIPS. No. As I said, it would be no serious matter this year if it did not stay in the bill. I suspect if the gentleman from Mississippi and I would go around and talk to the city councils, we might get an opinion of what they thought about it, and I would be willing to rest on that opinion.

Mr. ABERNETHY. They did not ask for it.

Mr. PHILLIPS. Then it could go out of this bill, pending further discussion.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield.

Mr. JOHNSON of California. I do not quite understand what would be the effect of your step to add back interest; is that to place TVA in the same category as the Central Valley water project?

Mr. PHILLIPS. Not even quite in that category, I think, but it begins to approach it. It would add about \$23 million to the annual operating costs. It would be taken out of power revenues.

Mr. JOHNSON of California. At the end of 40 years who would it belong to?

Mr. PHILLIPS. Under the argument of the gentleman from Tennessee it would technically belong to the United States but it would be a possession of the United States of no particular value to any of the citizens except those living in the area surrounding the project.

Mr. JOHNSON of California. It would be the same as what we are trying to do in California, belong to the people when they paid the cost.

Will the gentleman yield for a further question?

Mr. PHILLIPS. I yield.

Mr. JOHNSON of California. Is the interest figured on the power factor alone, and does it exclude any cost of flood control?

Mr. PHILLIPS. It excludes every item except power, and the payment of interest does not start until next year.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield.

Mr. MILLER of Nebraska. If TVA were required to pay interest would it be on the same basis as our REA's?

Mr. PHILLIPS. As far as interest is concerned, but I do not know about other items—I assume they would be on the same basis.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield.

Mr. SPRINGER. How many beds does this appropriation provide for this year under the Veterans' Administration program?

Mr. PHILLIPS. One hundred and twenty-seven thousand occupied beds, which is a little more than last year. It also combines hospitals, domiciliaries, and contract beds, but that is the figure set by the Veterans' Administration. The amount of money is the amount requested by the Veterans' Administration.

If you will turn to page 1708 of the hearings you will read the letter from the Veterans' Administration.

Mr. ANDREWS. Mr. Chairman, I yield 20 minutes to the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Chairman, I want to express my appreciation to the chairman of our subcommittee, the gentleman from California [Mr. PHILLIPS], for the very splendid manner in which he conducted the hearings this year. He was fair, he was able, he was thorough, and above all else, he conducted the hearings with a sense of humor. To those of us who had to sit and listen to testimony day in and day out his pleasant manner lightened the job tremendously. I for one am grateful.

I want to express my tribute also to the gentleman from Texas [Mr. THOMAS], the ranking minority member of the committee, who has such a fine appreciation for figures and appropriations. He is thoroughly familiar with the operations of all the agencies that appeared before us asking for appropriations, and did an excellent job in bringing out the facts. It is a very great pleasure to work with him, as it is with the other members of the subcommittee, the gentleman from New Hampshire [Mr. COTTON], the gentleman from North Carolina [Mr. JONAS], the gentleman from North Dakota [Mr. KRUEGER], and the gentleman from Alabama [Mr. ANDREWS]. They too, did a very fine job.

I know I am fortunate in having been associated with such a temperate and objective group. I regret very much my own shortcomings which prevented me from convincing the other members of the subcommittee of the error of some of their ways.

However, it is too much to expect that we would be in agreement on all points. Yet I cannot escape the conclusion that in some respects, though the committee labored long, it produced only a mouse. This is particularly true in the field of housing, perhaps the most important problem facing every metropolitan community in the country today.

The United States is a growing Nation; the United States is an expanding Nation. In 1930 our population was 123 million; in 1950 the population had increased to 151,600,000. The Census Bureau estimates that by 1955 our population will have increased to almost 165 million, and by 1970 the population of the United States will approximate 204 million people.

How do we propose to house all of our fellow Americans? Right now private industry is engaged in building approximately 1 million housing units a year, a rate which is clearly inadequate; for at this rate we will be unable to keep up with the elemental task of providing enough housing for the people of our Nation.

Today we have approximately 50 million housing units. Of these 10 million are either dilapidated or deficient in plumbing and are considered to be substandard. A conservative estimate made by the President's Advisory Committee on Housing states that 5 million of these housing units will have to be destroyed,

as being unfit for human habitation. These are the buildings proposed to be destroyed through the slum-clearance program.

I think we ought to look at some of the figures involved in the destruction of these unfit units because we ought to know what it is going to cost us. The President's Advisory Committee on Housing estimates that the cost of destroying each unit will be approximately \$3,750. The Federal Government pays two-thirds of the cost, the cities pay the other one-third. For conservative calculation, let us assume the cost is only \$3,000 a unit instead of \$3,750. Multiply that \$3,000 by the number of units to be destroyed; namely, 5 million, and you see suddenly the tremendous, almost fantastic task ahead of us. The calculation shows the cost of the national slum-clearance program to be \$15 billion.

The President's budget recommends, and the committee allowed in full, the sum of \$39 million. Contemplate this amount, and compare it with the total cost of \$15 billion to do the job. It is a totally inadequate amount.

If we tried to do the job in 10 years, it would cost \$1,500,000,000 a year. If we tried to do it in 50 years, it would cost \$300 million a year. On the basis of the amount recommended by the President, and approved by our committee it will take 385 years to complete the job.

The administration has taken a completely inadequate and unrealistic approach. It has paid only lip service to a need that requires bold, courageous, and aggressive action, if our cities are to be saved.

Equally inept is the recommendation for public housing, for public housing goes hand-in-hand with slum clearance. The administration's recommendation of 35,000 units a year for 4 years can hardly be considered as even a minimum to take care of the needs of the people. Slum clearance is impossible without some provision for public housing. If this is to be the way in which the present administration proposes to clear slums and to provide better housing for people of low income, as was promised in the President's aggressive, dynamic program, the promise is, indeed, an empty one.

Mr. JONAS of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. YATES. I am glad to yield to my very dear friend from North Carolina.

Mr. JONAS of North Carolina. I thank my friend. Will not the gentleman admit that \$97 million a year for 40 years is a large sum of money, and that is what the 319,000 units will cost.

Mr. YATES. I do not understand the gentleman's question.

Mr. JONAS of North Carolina. My recollection is that the testimony discloses that by next year there will be in place 319,000 units and that the maximum contributions will be approximately \$97 million a year.

Mr. YATES. The gentleman includes an additional 20,000 units?

Mr. JONAS of North Carolina. The entire 319,000 units that will be in place at the end of this year.

Mr. YATES. I do not understand that the testimony disclosed that. As I remember the testimony that was given to us by the agency, there was a statement that it would cost some \$65,200,000 a year for something like 252,000 units.

Mr. JONAS of North Carolina. And we are appropriating for 319,000 units.

Mr. YATES. We have increased the appropriation by \$20 million over last year.

Mr. JONAS of North Carolina. Next year, if the additional units we are undertaking to authorize are constructed and put into operation, that will be raised to \$97 million. That was my point.

Mr. YATES. The gentleman means for public housing?

Mr. JONAS of North Carolina. Yes, \$97.8 million a year for 40 years. This is a heavy sum for an American public, burdened with a \$275 billion debt, and with a very cold war in progress, to be paying out every year, is it not?

Mr. YATES. Yes; that is a high sum, certainly, but it must be weighed against the terribly high costs of inaction and continued municipal erosion. Slum clearance is one of the greatest problems facing us today. Our cities are caught in the throes of a terrible and spreading decay, a deterioration which prevents the cities from supporting themselves, because of the undermining of the tax base.

Mr. JONAS of North Carolina. But we cannot clear them up overnight or in 1 year.

Mr. YATES. I agree that we cannot clear them up overnight, but we ought to do more than we are doing. Even on the basis of 50 years as has been indicated in the report by the President's committee, a proper appropriation would be \$300 million a year for slum clearance alone.

Mr. JONAS of North Carolina. But where would you get the money?

Mr. YATES. How do you raise money for other purposes?

Mr. JONAS of North Carolina. Does the gentleman advocate raising taxes?

Mr. YATES. Taxes should be raised during times which permit raising taxes. At the present time, we find ourselves in a depressed economy, if I may use the expression without being unduly criticized, and there should be some reduction in taxes to increase potential and actual purchasing power. We may find ourselves compelled to construct such public projects as public housing to bolster our economy, if for no other appropriate reasons.

Mr. JONAS of North Carolina. That is my point. If it is going to take \$300 million a year extra, what are you going to cut out? Are you going to raise taxes?

Mr. YATES. We may have to incur additional deficit financing. Does the gentleman disagree with the President's statement that if there is no upturn in business conditions, we may have to resort to a Government building program?

Mr. JONAS of North Carolina. Let us not debate that issue. Let us stick to this one.

Mr. YATES. The gentleman just asked me that question. It was implicit in it.

Mr. JONAS of North Carolina. I asked the gentleman, who seems to be advocating spending \$300 million more a year on this program than we are now spending, where you are going to get the money?

Mr. YATES. I do not say, and I have not said to the gentleman, that I advocated spending \$300 million a year for the program. I stated that if we wanted to do a decent job of slum clearance over a 50 year period it would cost \$300 million a year. I do not know what the speed of such a program should be, but I do say that the amount appropriated in this bill, the amount recommended by the Bureau of the Budget, is abysmally small. The administration proposes a program to move at the speed of a glacier. It should be a much higher figure than the \$39 million recommended.

The gentleman and I are in agreement that this is fundamentally a local problem. Yet, what is the plight of our cities? The cities are decaying. The blight is increasing. As a result, there is a throttling of the tax base, a diminution of the revenues which cities need to support themselves. There has been a shift of the burden of taxation from the blighted areas to the more recently developed areas. Certainly, if one looks at housing conditions in our cities today, one can only conclude that we need a bold, courageous program, one so far beyond that it doesn't even resemble the one recommended by the administration.

Mr. JONAS of North Carolina. The gentleman admits, I think that one of the ultimate results of this program will be to improve values in cities?

Mr. YATES. That is correct.

Mr. JONAS of North Carolina. Does the gentleman think the people who get the benefit of the increased real estate values should participate in the program?

Mr. YATES. They do.

Mr. JONAS of North Carolina. More than they do. They do not participate in the public housing program.

Mr. YATES. They do.

Mr. JONAS of North Carolina. They do in these other programs and they are the ones I am in favor of; and our committee gave every dollar requested for slum clearance and urban redevelopment.

Mr. YATES. I agree that our committee gave every dollar that was requested for slum clearance and urban redevelopment. I repeat my point—the administration did not budget enough. The figures speak for themselves. We appropriated every dime requested; yet it will take 385 years to clear the slums on the basis of the Eisenhower administration's terms.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. What did the President recommend in connection with housing units?

Mr. YATES. The President recommended that there be constructed 35,000 units a year for the next 4 years, a total of 140,000 units.

Mr. McCORMACK. And appropriations to be made therefor?

Mr. YATES. That is correct.

Mr. McCORMACK. And that was included in his budget message, was it not?

Mr. YATES. It was. As a matter of fact, I asked Mr. Cole specifically how he knew the President's recommendations in this respect. The reason I asked that question was because the majority leader, the gentleman from Indiana [Mr. HALLECK], said last year during the debate that the administration was taking no position with respect to the number of housing units. That is why I asked Mr. Cole the question. Mr. Cole told me that he had spoken to the President himself on it and 35,000 units was the President's recommendation.

Mr. McCORMACK. What have they recommended; what is recommended in this bill?

Mr. YATES. There is recommended in this bill the construction of only 20,000 units and, I say that if the United States Government were not under firm, binding contracts with various municipalities throughout the country, there would have been no units recommended in this bill, not even the 20,000.

Mr. McCORMACK. In other words, they are recommending only what they have got to do under the law?

Mr. YATES. That is correct; over a period of 2 years.

Mr. McCORMACK. What the Federal Government would be responsible for legally.

Mr. YATES. That is correct.

Mr. McCORMACK. In other words, the Republican members of the subcommittee have repudiated, in this respect, the leadership of President Eisenhower.

Mr. YATES. I think the action speaks for itself.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman.

Mr. MULTER. The gentleman has been making a valiant fight for public housing and I hope he will continue it, even though we may lose the fight in this Congress. There will be another one in which I think we can do a little better. But the point that I should like to make is this: While the gentleman is trying to bring up the issue in this Congress, Shall we have public housing or no, there is a very deliberate effort being made to befog the issue. There is no question here of taxes, or of increasing taxes, or of having more or less taxation. The problem is only one: Do we need this housing, and what good would it do to clear the slums, if when you clear the slums and take the people out of the slums, you have no place to house them? That is the issue that the gentleman is presenting here, and I beg the gentleman not to let anyone confuse that issue any further.

Mr. YATES. I thank the gentleman. Let me say that the President's Advisory Committee on Government Housing was a Committee that was composed of 22

distinguished members of the housing industry, in one form or another. There were members of the Committee who are affiliated with mortgage companies, there were members who were presidents of banks, there were members of the Committee who were associated with the National Association of Home Builders. Of the 22 members of this Committee, which worked for months in investigating the housing needs of the Nation, there was only 1 dissent in the entire Committee from the recommendation that public housing be used as 1 tool for the purpose of clearing the slums.

Mr. MULTER. As a matter of fact, most of the private builders of the country, those who are building houses in the lower cost range, \$7,000, \$8,000, and \$9,000 houses, as well as those who are building the more expensive houses, have all agreed that private enterprise cannot make a profit out of the housing that must be built for the lowest-income group. Unless the Government will supply the municipalities and localities with the money and wherewithal to house them, they cannot be housed.

Mr. YATES. The gentleman is correct.

Mr. McCORMACK. If the gentleman will yield further, does not the gentleman feel that this is a test of the leadership of President Eisenhower?

Mr. YATES. I certainly do.

Mr. McCORMACK. And that he ought to speak up and state where he definitely stands on this great progressive proposition?

Mr. YATES. Yes, I do; and I would like to say this to the majority leader—

Mr. McCORMACK. No; next year we expect that back.

Mr. YATES. I am glad to state to the minority whip, that last year the President recommended the construction of 35,000 public housing units. Mr. Cole came before our committee and recommended the construction of 35,000 public housing units. The committee turned that down. At the time the bill was being debated on the floor the majority leader, the gentleman from Indiana [Mr. HALLECK], stated that the administration was taking no position with respect to the public housing program. The very next day in a press conference the President of the United States stated that while he did not want to take issue with any Congressman as to his own personal opinion, he himself would have advocated the construction of 35,000 public housing units.

Later that year, however, after the bill had gone through the Senate and was in conference, what happened? The conference decided that 20,000 units should be built. It was also provided in that bill that we would take another look at the program, that the Housing and Home Finance Administrator should be authorized to report to the Appropriations Committees of the House and the Senate by February 28 of this year his recommendations with respect to the public housing program.

Acting upon that recommendation, the President of the United States said he was going along with the agreement that was made in the conference. He re-

treated from his former position. If the President actually wants 35,000 units to be built, as Mr. Cole says he wants them to be built, certainly he should take a position in support of his own program. He should come out and say so.

Mr. PHILLIPS. If the gentleman will yield, may I ask him two rather brief questions?

Mr. YATES. The gentleman certainly may.

Mr. PHILLIPS. The first is this: The gentleman from Massachusetts [Mr. McCORMACK], the distinguished majority whip, wants to make an issue out of this being a repudiation of the President. I am not arguing that point. I am merely asking him whether 2 years ago when the President of the United States asked for 35,000 units, and the gentleman from Massachusetts was the floor leader, and the House gave 5,000 houses, he considered that a repudiation of the then President.

Mr. McCORMACK. I will answer that—absolutely, but I fought the 5,000.

Mr. YATES. You fought for more than 5,000. You fought for 50,000.

Mr. McCORMACK. Yes, I fought for 50,000.

Mr. YATES. I remember the gentleman fighting for an amendment for 50,000.

Mr. McCORMACK. Yes, I remember that. I did not fight for 5,000, I fought for 50,000.

Mr. PHILLIPS. In other words, the gentleman from Massachusetts repudiated the then President only to the extent of 25,000? The President had asked for 75,000.

Mr. McCORMACK. Oh, no, the gentleman from Massachusetts did not repudiate the then President.

Mr. PHILLIPS. You were fighting for 50,000 and he was asking for 75,000.

Mr. McCORMACK. I was fighting for a continuance of a real live program, and the gentleman from California knows it. This bill is a complete repudiation, and you cannot deny it.

Mr. YATES. Does the gentleman want to ask me any other questions?

Mr. PHILLIPS. I want to ask the gentleman from New York [Mr. MULTER] a question. He said we should not confuse the issue on this, that it was an issue of what should be done for people who need low cost housing. Is it that or is it a question of who should do it—whether it should be done through the local communities through their laws and through the local States and counties and municipalities or whether everything has to be done by a paternalistic and bankrupt government?

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. YATES. May I answer the gentleman's question by reading from the report of the President's own advisory committee, and I refer the gentleman to page 109. It will explain in part why action by the Federal Government is essential.

The fact is that our cities are caught in a descending spiral which leads to widespread municipal insolvency. The accumulated and continuing spread of blight eats away at the assessable base of the cities. As the blight spreads, it is inevitably followed by crime, fire, disease, and delinquency. Thus, does

the need for city services increase. But the city's ability to meet the increased budget is automatically impaired by the very blight that creates the demand. More blight, more demand for services, less revenues to meet the demand—that is the downward spiral in American cities. Most often the cities with the greatest slum problem have the least capacity to deal with it. Hence, the call for Federal aid.

I suggest this to the gentleman's question. The gentleman has stated that it would be a good idea if we did away with downpayments on housing and permitted people to buy low cost housing, perhaps paying for them over a 50 year period or a 60 year period.

I refer the gentleman to page 138 of the report of the President's Advisory Committee where the expert to whom the committee turned for a recommendation stated and I quote:

We should not avoid the issue—

Meaning the issue of public housing—by suggesting a form of pseudo home ownership for families without the economic ability to sustain it.

Can you imagine any mortgage company in the country lending money to a family earning less than \$2,000 a year? Can you imagine such a thing? There is no provision for direct loans from the Federal Government, which is the only way the gentleman's suggestion is possible. As a matter of fact, during the 81st Congress when such a proposal was made, that there be direct loans from the Federal Government to take care of the low and middle-income families, that suggestion was killed by the House. In my judgment, the gentleman's argument is most unsound. It goes so far as to suggest the possibility that home ownership for families on relief may be feasible. Let us look at the facts. According to the census report of 1950, 40 percent of all American families earn less than \$3,000 a year. Now how can these people buy housing at today's prices?

Mr. PHILLIPS. The gentleman gives the impression that the people who will be housed in this 20,000 unit program are people on relief. I am sure the gentleman does not mean to do that.

Mr. YATES. Of course the gentleman does not mean that. But, working people are housed in low rent public housing programs, people who may be unemployed from time to time, whose means of income may be cut off as a result of being unemployed. I know when unemployment compensation checks are received by those families, they are paid to the housing authorities in the form of rent. All people do pay rent for housing in these low rent housing projects.

Mr. MULTER. Mr. Chairman, I would like to answer the doubled barreled question of the distinguished gentleman from California [Mr. PHILLIPS]. First, personally not being a member of the team of Gloom and Doom, I do not think our country is bankrupt nor even on the verge of bankruptcy. Secondly, the municipalities, almost every last one of them, that have a problem of slum clearance, have come before the Congress and have sent their representatives to the various committees of the Congress

to tell us that they cannot handle this job without Federal aid.

Mr. YATES. Mr. Chairman, I want to conclude my statement with the testimony of the person who was directed by the Congress of the United States to investigate this problem, former Congressman Albert Cole whose views in opposition to public housing are well known to the Members.

There was no more vehement opponent of public housing in this House than Albert Cole when he was a Member. This is what he said to our subcommittee:

Your committee has had very serious misgivings about the low-rent public housing program both as to its basic merits and as to its administration.

Speaking as to its merits, he said:

Let me say this: If I could believe that there is a fair and feasible way to terminate the present program now, as to new construction, I would recommend it to the President and to you. I have not found it.

This is Cole speaking.

Although I hesitate to speak for the whole membership of the Advisory Committee, I think it is fair to say that they began their work with a predisposition, perhaps a hope, that the low-rent program could be ended. Again, I think it is fair to say that the Advisory Committee recommended its continuation not because they were or are promoters of public housing, but because they were honestly convinced that for at least the next few years it is a necessary program. They could not, in all honesty, conclude that they were prepared to offer workable proposals which would reasonably seem to make it unnecessary. The basic problem can be stated simply—

Says Mr. Cole:

Everyone—literally, I think everyone—agrees that it has become a national necessity to do something about clearing out existing slums and stopping the formation of new slums. It makes no difference whether the question is approached from the point of view of human consideration, cold economics, practical politics, or any combination of these—the answer is the same. But in order to do what must be done, families must be moved out of slums and out of overcrowded and declining neighborhoods. Some, indeed many, of these families have very low incomes. We believe we can go a considerable way toward enabling private enterprise to meet the problems of families of lower income than is the case now. We propose to do that. But these steps, while they will shrink the problem, will not make it disappear.

So we come back, it seems to me, to the conclusion that for the time being, if we are to have a workable, across-the-board attack on urban slums and blight—we must continue a moderate program of federally supported low-rent public housing.

That was Mr. Cole's statement, and Mr. Cole came in to our committee, asking for authority to construct 35,000 units every year for the next 4 years.

Mr. JONAS of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield.

Mr. JONAS of North Carolina. Could the gentleman from Illinois, with whom I have had many interesting discussions, all of them pleasant, in the committee and out—will the gentleman not agree with me that the business of public housing ought not be considered separately, but that it is an integral part of

the program of slum clearance and urban redevelopment, and all three programs ought to be tied in together; and will not the gentleman admit that I have advocated that all the while?

Mr. YATES. I will agree with the gentleman. I will say that I have not agreed with him on tying public housing only to slum-clearance programs, because there are other types of urban development which may dispossess low-cost families, so that they will require other housing. To that extent I do agree with the gentleman. I say further that in the slum-clearance program the Federal Government is not making the only contribution. The Federal Government is making two-thirds of the contribution. The cities are making one-third. I will say further that the cities, are making a contribution to the public housing program. They are doing that by giving up taxes, which is their right.

Mr. JONAS of North Carolina. They receive some taxes.

Mr. YATES. They receive 10 percent repayment in lieu of taxes.

Mr. JONAS of North Carolina. That is just the point, if the gentleman will yield. That is just my point. The cities in which these units are being constructed, or other communities, whether townships or counties, I think ought to pay a part of this cost. The Federal Government ought not to be expected to put up all the money.

Mr. YATES. Mr. Chairman, the administration's recommendation of 35,000 public housing units per year for 4 years is a bare minimum. The action of the House Appropriations Committee in failing to accept even the administration's recommendation is a death blow, not only to thousands of American families seeking a decent place to live for themselves and their children, but also to the efforts of our cities to revitalize themselves. We cannot clear the slums without providing other shelter for those who now live there. These are people who need our help. We cannot disregard them while we tear down the roofs over their heads. We cannot dispose of them as we dispose of the rubble of the buildings being torn down by carting them away and dumping them. Relocation is the key to slum clearance today, and public housing is a necessary tool in the relocation process.

Mr. Chairman, tomorrow I shall offer an amendment to provide for the President's program.

Mr. ANDREWS. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. PRICE].

Mr. PRICE. Mr. Chairman, I am alarmed by the continuing tendency of the administration to place dollars before defense, and to increase the calculated risk of the national security of America. Planning for the national defense of the United States in a number of instances has seemed to start with the assumption that X number of millions or billions had to be cut from the Federal budget. I speak up in protest because I believe that national defense planning should be based primarily on the international power situation and

the realistic needs of a military establishment designed to protect effectively the free world from Communist aggression.

I have supported, and will continue to support the administration's plans for national defense. I am here to protest not what they are proposing or doing in this field, but what they are not doing for the defense of America.

In reducing the budget for making purchases of critical and strategic materials for the stockpile program by over \$100 million, the administration is clearly taking a greater gamble on our national security. The administration's attitude seems to be that if war does come, our defense program will be too small anyway, so why not increase the risk just a little in the hope that we will be lucky enough to avoid a war. Mr. Chairman, I am unwilling to gamble in this fashion with our national security. The stakes are too high. Americans must be told the facts of international life today, and I am distressed that the present leadership seems unwilling to do this. These facts are that our state of military and economic preparedness must be based on the realization that if war comes, we will not have the long months—or years—to prepare for that war. We must be prepared to defend ourselves and to take the offensive instantly. Basic to that preparation is an adequate stockpile of critical and strategic materials. In an age of air-atomic-hydrogen power, we can no longer look to the great oceans on our eastern and western boundaries as bulwarks against sudden attack.

Now what is an adequate stockpile? Mr. Chairman, the man responsible for determining this is the President's defense mobilizer, Mr. Arthur Flemming. Mr. Flemming told the Appropriations Committee that the administration, through its Bureau of the Budget, cut the initial request of \$309 millions for stockpiling materials to \$199 millions. What was the reason for this cut? The answer given by the administration to this question before the committee was inadequate. The reply seemed to involve, in part, bookkeeping tricks. I fear the real answer is that the administration is willing to take a bigger risk with national security; to place more reliance on a hope we all, of course, cherish—that war will not come.

But keep in mind this fact, as stated by the Director of the Office of Defense Mobilization, Mr. Flemming, before the Independent Offices Appropriations Subcommittee:

Nothing can go into the stockpile except as it is purchased by stockpile funds appropriated by the Congress (p. 1290).

It is significant that Mr. Flemming suggested (p. 1293) that if necessary, he could request supplemental appropriations from the Congress. If Mr. Flemming already has supplementals in mind, perhaps we should pause here in the House to ask if the program as presented is adequate.

There seem to be basic inconsistencies and contradictions in this aspect—as well as other aspects—of the administration's defense program. Specifically I

refer to sharp cutbacks in defense money while all the top officials of the administration constantly argue that the Soviet threat to the free world remains constant.

Mr. Flemming, who is responsible for the materials stockpiling program, in his last report to the President, made the following significant statements, and I quote from his report:

1. Soviet communism remains an aggressive force bent on world domination—by subversion if possible, by violence if necessary.

2. Soviet Russia is capable of delivering suddenly and without warning the most destructive weapon ever devised by man on chosen targets in the United States.

3. Soviet Russia and its satellites have the power to launch local aggressions anywhere along the huge crescent border of the Soviet bloc and thereby endanger the security of the United States and the free world. (Report to the President, Director of ODM, October 1, 1953, p. 1.)

These are not reassuring words, and do not seem to me to justify cuts in our materials stockpile program that may seriously endanger our capacity to deal with this omnipresent Soviet threat.

Had the Soviet threat to the free world subsided, there would be justification for defense cuts, but from men who have the latest worldwide intelligence estimates we have heard the following words:

President Eisenhower:

American freedom is threatened so long as the world Communist conspiracy exists in its present scope, power, and hostility. More closely than ever before, American freedom is interlocked with the freedom of other people. (State of the Union message, January 7, 1954.)

Today there is a truce in Korea. After 3 years of hostilities, we are now in the first year of an armed peace. But we are a long way from achieving the kind of peace that is our goal. As long as the Communist threat to the free world exists, we must plan to maintain effective military strength in close cooperation with the other nations of the free world. (Budget message, January 21, 1954.)

Secretary Dulles:

We have concluded that Soviet armed aggression in Europe is less likely today than it seemed several years ago. * * * But we also concluded that the Soviet threat persists and probably will long persist. We know, too, that Soviet atomic weapons make the threat potentially more serious than was visualized when this organization, NATO, was formed. (Dulles statement at Paris NATO meeting, December 14, 1953.)

We live in a world where emergencies are always possible and our survival may depend upon our capacity to meet emergencies. * * * The Soviet Communists are planning for what they call "an entire historical era" and we should do the same. (Dulles foreign policy speech of January 12, 1954.)

Admiral Radford, Chairman, Joint Chiefs of Staff:

There has been no reduction in the vast militant force of international communism which continues to threaten the free world. * * * We have convincing reason to believe that communism will desist from aggression only when free nations are united in arms, and only when they are stoutly defended. (Radford, National Press Club speech, December 14, 1953.)

The Soviet Union has enormous natural resources, and a rapidly growing industry. It has a numerical superiority in land armies.

It has powerful air forces. It has naval forces second only to the United States. It has buffer states with which to conduct limited wars. * * * the Soviets excel at a three-prong system of operations: Politico-economic, military, and psychological propaganda. Since militant communism is a triple-threat to the free world, it must be countered in all three areas.

We must * * * be ready for an emergency. It is only by having a force in being, ready to meet imminent danger, that we can insure security. (Radford speech, American Ordinance Association, New York City, December 2, 1953.)

Unfortunately, the threat of war has not diminished. * * * Even though this sense of crisis seems less, and even though the recovery from the devastations of the past is more complete, there unfortunately has been no reduction in the truly vast militant force with which the Soviet Union continues to threaten the free world. (Radford speech at West Point, December 2, 1953.)

None of these statements seem to offer support for any argument that we can afford to drastically cut our defense spending.

There are those who argue that we cannot afford to maintain what was considered by previous planners as an adequate defense posture. The Air Force was drastically cut last year and this year the Army has come under the heavy hatchet. This cut in the amount originally requested for defense stockpiling clearly seems to be based on budgetary rather than national defense considerations.

Those who are chiefly responsible for the overall policy resulting in these cuts—including the Director of the Budget and the Secretary of the Treasury—in arguing that we cannot afford what many consider adequate expenditures seem to show little faith in the American economic system. We should have a great and expanding national economy; our national wealth and productive capacity must continue to expand. Our ability to afford an adequate national defense system should also continue to expand. Whatever the cost, I say we cannot afford not to provide our people an adequate national defense system.

I am in agreement with our distinguished minority leader [Mr. RAYBURN], who some time ago commented:

I would rather be alive with an empty pocket than dead with a full pocketbook.

Mr. ANDREWS. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. FEIGHAN].

Mr. FEIGHAN. Mr. Chairman, from all quarters both here and abroad come questionings about the terrifyingly powerful hydrogen weapons with which we are now experimenting. An excited citizenry is asking for more information about weapons whose power surprised even their designers. Let me quote from Walter Millis, who wrote in the his New York Herald Tribune column yesterday, March 28:

There will surely have to be an official report on the current experiments at least frank enough to answer some of the myriads of questions as to national policy which the rumors have evoked and to give the public some concrete idea of what is actually planned or intended by the incorporation of nuclear weapons into current military and diplomatic policy to the extent which is be-

ing done. It is sheer nonsense to say that such a report cannot be made without giving useful military information to the Russians. The Russians have produced at least one fusion explosion of their own; they are certainly familiar with the basic physics and mechanics involved, and it is incredible that giving the American public the broad facts which are essential to a sound public attitude toward nuclear weaponry and defense would tell the Russians anything of any real use to them which they do not know already.

The present situation is intolerable. On the one hand a secret group of scientists are secretly developing devices, which even they apparently cannot fully control, capable of wiping civilization off the earth. On the other hand, a various group of diplomats, civilian managers, and soldiers are trying to weave these frightful weapons into a military-diplomatic policy which they cannot explain to the public in intelligible terms, in which the various architects are frequently in direct contradiction with one another, and in which nobody seems really to have thought out how or when or under what circumstances or to what ends these horrible weapons are actually to be employed. And finally, we are told over and over again that only an informed and enlightened public opinion can supply firm guidance through those morasses of military policy—a sentiment generally uttered as a preface to the statement that security requires wrapping the veils of secrecy more deeply than ever.

In view of a report that a hydrogen bomb, two and perhaps three times more powerful than that of March 1, will be defonated within a month, it becomes even more important to the peace of mind of our people that information in fuller scope should be given them. Whatever the merits of this demand, it remains a fact that under the restrictions of the Atomic Energy Act of 1946, President Eisenhower could not give a fuller explanation even if it were judged in the public interest to do so. Those restrictions were based upon a situation which no longer obtains. We had a monopoly then.

At the very beginning of his message to Congress on February 17, this year, the President said:

For the purpose of strengthening the defense and economy of the United States and of the free world, I recommend that the Congress approve a number of amendments to the Atomic Energy Act of 1946. These amendments would accomplish this purpose, with proper security safeguards, through the following means:

First, widened cooperation with our allies in certain atomic energy matters;

Second, improved procedures for the control and dissemination of atomic energy information; and

Third, encouragement of broadened participation in the development of peacetime uses of atomic energy in the United States.

After describing the stringent limitations on giving out atomic information imposed by the act, the President asked Congress to approve a number of amendments, the most immediately important of which relate to the declassification of certain "restricted data which relate primarily to military utilization of atomic weapons and which can be published without endangering the national security."

This request was coupled with another request relating to the industrial peacetime uses of atomic energy, and asked for the relaxation of "statutory restrictions

against ownership or lease of fissionable material and of facilities capable of producing fissionable material". This, it is obvious, will set off lengthy discussion by proponents of public power and private utilities which may well be prolonged for many months. In view of the tremendous urgency of the hydrogen weapons problem, I believe, that these two proposals of the President should be dealt with separately. The exchange of military information with our allies who are profoundly perturbed about the place of hydrogen weapons in allied strategy, requires immediate action. So, too, does reassurance based on trustworthy information require important revision of the outmoded law enacted 8 years ago.

I urge that Congress take up the first two of the three parts of the President's message promptly and separately before the third part. For that purpose, I have requested the Office of Legislative Counsel to draft a resolution which will implement the recommendations contained in the first two parts of the President's message of February 17. I will introduce this resolution as soon as it has been drafted. My resolution would be part of integrated action by both the legislative and executive branches to deal adequately with the all engrossing crisis with which our rampant technology has confronted us.

The form that integrated action might take has been imaginatively conceived, I believe, in an editorial which will appear in the April 3 issue of *America*, *National Catholic Weekly Review*, and I quote:

NEW LOOK AT THE H-BOMB

Prime Minister Churchill thus addressed himself to a hushed House of Commons on March 23:

"Let me assure the House that there is nothing in the whole world of affairs that dominates our thoughts more than the group of stupendous problems and perils comprised in the sphere of atomic and hydrogen development."

The unpredicted power of the March 1 hydrogen bomb—said to be 600 times that of the Hiroshima horror. The irradiated Japanese 80 miles from the explosion. The atomic tuna. The AEC's extension of the test zone in the Pacific to a diameter of 900 miles. The rumor that H-ash fell on Japan, 1,600 miles away. The reflection that the bomb could have contained cobalt and killed everything wherever erratic winds might carry its "death-dust." The rumors that uranium or plutonium is no longer needed to trigger an H-bomb. Does any American dispute the priority the Prime Minister gave to atomic-hydrogen developments?

No doubt the President, personally, is just as concerned. But are the Department of State and the Congress? Has State devised an alternative to the outmoded Baruch proposals? What has happened to the report of the five-man State Department Panel on Disarmament headed by J. Robert Oppenheimer?

The Senate last year passed the Flanders resolution on disarmament only after provisions for a comprehensive study had been cut out of it by what Senator FLANDERS described as the lower echelons of the State Department. Congress gives no hint of taking up the President's February 17 request for absolutely essential revision of the Atomic Energy Act of 1946. Dozens of legislators know that "things have gone about as far as they can go"—and not only in Kansas City. In a prophetic moment sometime before he died, Brien McMahon called upon the U. N. to drop everything and con-

centrate on preventing a hydrogen-bomb race. Last fall Senator WILEY proposed that the incoming Congress do likewise. Instead we got the Bricker business. And now—well, it is time a bipartisan group arose to demand immediate and thoroughgoing action.

Much can be done at once to move this overriding problem into the central position it so clamantly requires. The Arends resolution (H. Con. Res. 132), companion of the Flanders, was not voted on by the House last year. If the Congress would approve some such request for "a proper Government agency" to make "intensive efforts to solve the scientific and technical problems involved" in eliminating weapons of mass destruction, the State Department might reconstitute the disarmament panel into a larger high-level group of experts adequate to the task.

The first part of the President's request for revision of the 1946 act dealing with secrecy provisions should be acted on at once and separately. Otherwise prolonged wrangling over the part dealing with private industrial uses of atomic energy will postpone indefinitely even the partial lifting of the atomic curtain.

Finally, is it realistic to pursue at this time negotiations on the pooling of atomic material for peaceful uses? This has only an indirect bearing on actual disarmament, the hope being that distrust will be dissipated by cooperative action in nonexplosive fields. In his memorable address to the U. N. December 8 the President spoke first of our readiness to enter into "private" diplomatic discussions and of our being prepared to carry "a new conception" into them. Only afterward did he propose the international "atom-bank."

The hydrogen-powered giants he then pictured as glowering at each other across a trembling world are increasing their power so swiftly that they may soon themselves begin to tremble. The trust foreseen as a byproduct of limited cooperation may soon give way to desperate fear-reactions. It is safer to begin at once the direct approach to atomic-hydrogen disarmament by diplomatic negotiations. As soon, that is, as the United States has its "new conception" to offer.

[Mr. COTTON addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. ANDREWS. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I, too, would like to express my appreciation of the fine way in which our chairman of the subcommittee has conducted the hearings. He is a hard worker. He is an able legislator and he has a keen sense of humor. I remember on one occasion, one of the agency heads addressed him several times as Mr. THOMAS. Of course, the gentleman from Texas [Mr. THOMAS] was chairman of the subcommittee 2 years ago. After this witness had addressed our chairman, the third time, as Mr. THOMAS, the chairman told him he was either 2 years too late or 1 year too early.

I think we have a good bill, with a few exceptions. I do not like the treatment that TVA has received from the committee. TVA is not in my section of Alabama. My district is not interested in TVA. But I do think that TVA is a great utility, Government owned. As a matter of fact, it is the only utility serving an entire State and several counties in two adjoining States.

I do not know of any Government agency that has done so much for so many people in a section of this Nation as TVA has for the people of the Tennessee Valley. The bitterest enemies of TVA testified before our committee that it is a well organized well operated utility; that it is very efficient and economical in construction work. As a matter of fact, in the hearings you will find that TVA is the only utility that is able to construct steam plants within the estimate that they made in 1951 for the great Atomic Energy Commission plants at Paducah, Ky., and Portsmouth, Ohio. There were three utilities engaged by AEC to construct steam plants, to serve AEC plants at Paducah and Portsmouth, Ohio. One of the utilities privately owned made an estimate recently which is 45 percent higher than the estimate they made in 1950. The other privately owned utility is about 10 percent or 15 percent higher today in construction costs than they were in their original estimate in 1950. But TVA not only will stay within the original estimate but will do the job for about \$3 million less.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. I noticed in reading the hearings that some contracting concerns—I think that is what you might call them—appeared before the committee and complained about the policy of the TVA constructing some of its own works. Were these high bidding people to whom the gentleman has referred some of those who appeared before the committee? Were they the same group?

Mr. ANDREWS. I do not know. We had many witnesses before the committee.

Mr. JONAS of North Carolina. If the gentleman will yield to me to answer that, I think the only person who appeared before the committee in regard to that kind of situation was the president of the General Contractors of America. He was appearing as a witness on behalf of the entire construction industry, not one company.

Mr. ABERNETHY. Of course, the object of his appearance was to get some business, was it not?

Mr. ANDREWS. I do not know.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman from Illinois.

Mr. YATES. I think the point the gentleman is making is a very important one, because the Atomic Energy Commission has contracts with Electrical Energy, Inc., and with the Ohio Valley Electric Corp. under the terms of which it is to pay a fixed rate of return on the costs of construction by both those companies. It was indicated that in the case of the construction of the Joppa plant of Electrical Energy, Inc., the original estimate of approximately \$139 million was subsequently increased to \$197 million. I think it is important to point that out for the reason that the difference of a single mill per kilowatt-hour on a billion

kilowatt-hours amounts to \$1 million of revenue paid. I hope the Atomic Energy Commission in the future may not be compelled to pay rates predicated upon the drastically increased estimates.

Mr. ANDREWS. I thank the gentleman for that contribution.

Now back to the Tennessee Valley Authority and the purpose for which it was created. Congress about 23 years ago created the Tennessee Valley Authority, for the purposes of serving as much electricity to as many people at as cheap a cost as possible, to set up a yardstick to determine the fair and reasonable cost of electricity. Since that time the territory which the Tennessee Valley serves has been enlarged, and today we find that TVA is the only utility serving the State of Tennessee and many counties of Alabama and Mississippi. For 2 years the Tennessee Valley officials have requested the Budget Bureau and the Congress for additional money to build new steam plants. There are 23 plants under construction at this time, and we are appropriating money in this bill to complete those plants. But the Tennessee Valley Authority did ask the Budget Bureau for money to start construction of new steam plants, 4 at Johnsonville, 2 at Fulton, 1 at John Sevier, and 1 at Gallatin.

Mr. ABERNETHY. Does not the gentleman mean eight new units?

Mr. ANDREWS. Eight new units, at a total cost of \$227 million. It will take 3 or 4 years to bring new units into production. They requested \$85 million from the budget this year for the starting of the construction work on those eight new units.

Why do they need that additional power? They cannot expect to get it before 1957 or 1958, and every witness who appeared before our committee stated that in 1957 the demand for power in that area will be equal to or greater than the capacity of the Tennessee Valley Authority to produce. If we are going to continue to have the Tennessee Valley Authority as a Government-owned utility to serve Tennessee and the Alabama and Mississippi counties in its area, then I say we should treat the Tennessee Valley Authority as a utility. Every power company in America today plans ahead and anticipates the needs of the area it serves. It is fundamental in the power production business to stay ahead of your demand by at least 10 or 15 percent. Now, if we want to kill TVA, I think we ought to come out and do it and sell it, and not strangle it to death. That utility is for the purpose of serving that area. It may interest you to know that as of today, the Government agencies are taking from the TVA 35 percent of its power, and by the fall of this year the take by Government agencies, such as the AEC and the Air Force at Tullahoma, will be 50 percent of the total power production by the TVA.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield.

Mr. PRIEST. I wish to add one sentence at this point. About 2 or 3 weeks ago the AEC asked for an additional

200,000 kilowatts for the plant at Oak Ridge.

Mr. ANDREWS. Of course, that will add to the demand on TVA power. But, as of today, 35 percent of the power produced at TVA goes into Government agencies. By the fall of this year, 50 percent will be taken by Government agencies. It might interest you to know that the TVA furnishes the atomic-energy plant at Oak Ridge more power than the whole State of Texas used in 1952. I expect to offer an amendment to add \$85 million to the sum appropriated for the TVA for the purpose of enabling them to start construction of these eight new units. I am firmly convinced that it would be far better for the TVA and far better for the citizens of the TVA area for this Congress to come out like a man and sell it and liquidate it than it would be to strangle it to death by slow means. If it continues to operate as a utility, it must be in a position to furnish the needs of the area which it serves, and unless we give them this money then we may expect in 1957 the TVA will be lacking, and it will be unable for the first time in 23 years to serve the area which Congress said it should serve. I hope the Committee will adopt the amendment.

Mr. PHILLIPS. Mr. Chairman, I yield 30 minutes to the gentleman from North Carolina [Mr. JONAS].

Mr. JONAS of North Carolina. Mr. Chairman, I want at the outset to express a word of appreciation for all of the courtesy and consideration extended to me during the past year by our distinguished chairman, the gentleman from California. I have been happy to sit at his feet and learn the intricacies of working on a subcommittee of the Committee on Appropriations, and if I have failed in living up to my responsibilities, it should not be chargeable at all to any lack of leadership and guidance on his part. I am proud, indeed, to serve under him and to follow his leadership. I never had the opportunity to serve on that committee under the leadership of my friend, the gentleman from Texas, but I have been impressed, as the other members of our subcommittee have been, by his intelligent approach to these problems and by his analytical mind and hard fighting qualities. I have also enjoyed my association on that committee with my friend, the gentleman from New Hampshire, who spoke to us a little while ago and who I regret has indicated that he will not return to the House of Representatives again. To my friend from North Dakota, I also express my appreciation for our association. I have enjoyed it immensely. The same thing applies to my friend, the gentleman from Alabama, who just addressed the Committee, and the gentleman from Illinois with whom I have had many interesting and not too acrimonious debates.

I would like to discuss two points in the few minutes I have available on this controversial TVA subject.

At the outset I would like to say I am not an enemy of TVA. Many weeks ago while we were in the midst of the hear-

ings on the appropriations for TVA, I wrote two newsletters to the papers in my district, in which I outlined some of the great progress that the Tennessee Valley had made since the TVA has been operating there. I also made comment, and I repeat it now, that no one is undertaking to destroy TVA. It has become a part of the economic life of the Southeast; and, even if he had that desire, no one could succeed in destroying it, because TVA has grown to manhood and is no longer an innocent babe in the woods. It can take care of itself in any company.

One question I have in my mind about TVA is whether or not we ought to permit it to expand from the Tennessee Valley, as authorized by the original act creating the corporation. It was on that basis that I opposed the construction of a plant last year at Fulton, because, as I read the TVA Act, I do not believe the Congress gave TVA any authority to build steam plants or dams outside of the Tennessee Valley. The act authorizes construction on the Tennessee River and its tributaries. There is not a word, there is not a line in the TVA Act, in my humble opinion, which gives the TVA authority to build a steam plant on the Mississippi River 115 miles west of the Tennessee River.

My second point about TVA is that I believe it should pay to the American Government, for the use of the American people, interest on the money we have donated to TVA for its power program. I except money that has been spent for navigation or flood control in the Tennessee River, or for the resource development of the Tennessee Valley. I am speaking now only of the money that has been appropriated out of the Federal Treasury for the building of the biggest power system in the United States; that is, the TVA. Do you know how much money we have appropriated since TVA has been in existence, for all its manifold activities? More than one and three-quarters billion dollars, and more than a billion dollars of this money has been spent building the biggest power system in the United States.

I think the time has come for us to treat TVA, with respect to its power operations, as a gigantic power company. It ought to make a return to the Federal Treasury for use of the American taxpayers, at least the cost of the money we have provided TVA for its capital expansion.

Mr. PRICE. Mr. Chairman, will the gentleman yield?

Mr. JONAS of North Carolina. I yield to the gentleman from Illinois.

Mr. PRICE. The gentleman made an interesting statement when he said TVA has obtained in appropriations a billion and three-quarters dollars. I will say to the gentleman we got it all back when we dropped the first atom bomb on Hiroshima.

Mr. JONAS of North Carolina. That does not necessarily follow. I would like to bury that argument right now. It has been argued that the atomic bomb would never have been completed if we had not had TVA. That is not true, because TVA, throughout the operation

of the war, had to call on private power to supplement its own power. It has been argued on this floor this afternoon that TVA is the only source of power for the Tennessee Valley. That is not in accordance with the facts. The facts are that last year TVA obtained from 11 to 12 percent of all of the power it produced and distributed from private-power companies operating around the periphery of the Tennessee Valley area.

Mr. PRICE. Mr. Chairman, will the gentleman yield?

Mr. JONAS of North Carolina. I yield.

Mr. PRICE. I would say to the gentleman that TVA was the biggest factor in the success of the atomic energy program.

Mr. JONAS of North Carolina. The gentleman misunderstands me. I am not attacking TVA; I am merely raising the question whether in good conscience TVA ought to begin to pay to the American people interest on this billion dollars that we have invested in its power system.

TVA today is a power company; it is the biggest power system in the United States. Next year it will produce 50 billion kilowatt-hours of electricity.

And I will tell you another thing, Mr. Chairman, what some people do not know: About one-third of that power will be used by industries and commercial establishments of the Tennessee Valley area and not to put lights in the homes of people who reside in the Tennessee Valley.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. JONAS of North Carolina. I yield.

Mr. PHILLIPS. The gentleman from Illinois mentions the usefulness and the necessity of TVA to the dropping of the bomb. I think there is no doubt of the part it played, but the gentleman from North Carolina has already raised the question of whether the heating of private homes by TVA power is not a use in preference to the other uses to which the current might be put.

Mr. JONAS of North Carolina. There is not any question about any shortage of power developing for the Atomic Energy Commission.

Mr. PRICE. Mr. Chairman, will the gentleman yield?

Mr. JONAS of North Carolina. I yield.

Mr. PRICE. Of course, anyone would concede the fact that TVA made power more available, but we also have to recognize the fact that TVA did contribute to the success of the atomic-energy program.

Mr. JONAS of North Carolina. That is not in issue here. I certainly am not questioning the importance of the role TVA has played in our atomic-energy program.

I am not raising any question about the contribution TVA has made to the country in the development of the atomic bomb or in the development of the great Tennessee Valley area; I am talking about simply one question, that is whether we ought to get interest on the money we have put into the program which is something over a billion dollars. It does not involve anything except money that has been invested in build-

ing the biggest power system in the United States. And let me remind the committee, as has already been mentioned this afternoon, 50 percent of the production of TVA will be consumed by Federal agencies; between 30 and 35 percent will be consumed by industries and commercial establishments in the Tennessee Valley, and only about 16 percent will be consumed in the homes of the people who live in the area. Of that 16 percent that is to be consumed in the homes of the valley one-fifth is used to heat the homes of the people who reside in the Tennessee Valley. The record shows that 110,000 homes in the Tennessee Valley today enjoy the luxury of electric heat. Instead of having to use coal, gas, oil, or wood, power is so cheap and so plentiful in the Tennessee Valley area that 110,000 homes, 20,000 of which are in Nashville, Tenn., are today obtaining their heat from electricity.

Is it fair to ask the rest of the people of the United States to keep putting up hundreds of millions of dollars every year to provide this luxurious heat for the people of the Tennessee Valley?

Is it fair to ask the rest of us to put up hundreds of millions of dollars annually to increase the power production of TVA in order to give cheaper power to the industries and the commercial establishments in that area?

All that is at issue here is whether TVA should pay interest to the Government on the money the Government has supplied to build the power system. It is just as simple as that. I do not know of anybody in our committee who is antagonistic to TVA. Certainly I am not antagonistic to it. I am simply making the argument that with all of this money that has been spent creating this gigantic power system, the time has come now, if it is ever going to come, when the power system ought to provide interest on the capital that has been invested to create it.

It was brought out earlier in the colloquy between the gentleman from Tennessee and myself that this would result in raising the rates in Tennessee. The inference was that there was somebody sponsoring this proposition who was interested in a private utility. I would like to disclaim any such interest myself. I do not know of anybody on the committee who is interested in private utilities. I certainly have no interest or stock in one, have never worked for one, and am not motivated in my position by how it may affect any private utility. I live in a district served by the Duke Power Co. They are not in competition with TVA. The only contact it ever had was to furnish TVA some power during the war when TVA was short and needed power at Oak Ridge.

But with reference to this increase in rates, let me read you the statement of Mr. Clapp, Chairman of the Board of Directors, TVA, appearing on page 2464 of the hearings. I ask the question:

It is not equally true that if you had to pay for the money you receive for capital investment, that is, if you had to pay interest on it, you would have to charge a

higher rate for your power to take care of it?

Mr. CLAPP. No, we would not.

Mr. JONAS. You would have to get the money somewhere to pay for that? You do not take into consideration interest in fixing rates, do you?

Mr. CLAPP. But we take into account a rate of return higher than the interest cost. I think you are overlooking an important thing. We have been averaging between 4 and 5 percent as a rate of return on the average investment in these power facilities. Suppose you take even 2½ percent as an interest cost to the Government, we would still have enough left to make our 40-year return and the Government would still have the property. The electric rates that produced that rate of return were not only higher than the capital investment and of interest, but would leave a little over.

That ought to dispose of the question that rates would have to be raised if interest were to be charged.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. JONAS of North Carolina. I yield to the gentleman from Tennessee.

Mr. PRIEST. I appreciate what the gentleman has said, and in the colloquy between the gentleman and myself earlier today I certainly had no intention of intimating even that the gentleman had any interest in any utility or that there is any pressure of that sort. I said that in my opinion the effect of an interest rate provision in the bill would possibly be reflected in increased rates. May I just take a minute of the gentleman's time? To me it seems there is quite a distinction here between interest and what I consider to be actually a dividend because this property all belongs to the Federal Government. All of its earnings belong to the Federal Government. In any well-managed utility or any other business, dividends are paid out of net earnings after due consideration is given to operating funds that may be necessary. It seems to me, I will say to my good friend from North Carolina, that this is a move to legislate that a profit must be paid every year at a particular rate of interest, to legislate and determine in effect that it must be paid every year regardless of what the net earnings may show and regardless of whether it is a bad year or a good year. Will the gentleman discuss that particular phase of it?

Mr. JONAS of North Carolina. Yes; I will discuss it right now.

Mr. PRIEST. That is, the question of dividend rather than interest.

Mr. JONAS of North Carolina. The position of the majority on the subcommittee simply was this, that here we have invested the taxpayers' money. We did not have this money. How do we get our money? We either get it by levying taxes, or we go out and sell bonds. We spend a couple of million dollars a year urging people to buy Government bonds. Then what do we do? We pay them interest on those bonds. Then we turn around and make more investments in TVA without charging interest. I am simply saying that the part of TVA which has turned out to be the biggest power system in the United States, with an income next year from the sale of power that will exceed \$200 million, ought to pay interest on that investment,

and they ought not to expect the American taxpayers to continue to supply their capital interest-free, in addition to which we do not get any income tax out of that \$200 million a year in power revenue.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. JONAS of North Carolina. I yield to the gentleman from Mississippi.

Mr. WHITTEN. Is it not a matter of law now that outside of the amount of money that is on hand and needed for the current operation of TVA, that the act provides for TVA to pay it into the Treasury, anyway?

Mr. JONAS of North Carolina. That is right. We just want about \$20 million a year in interest.

Mr. WHITTEN. So, if that be true and that is the law, then to say that they must return each year this so-called interest means, as the gentleman from Tennessee has said, that you just say, "This year we are going to take out about \$38 million in operating funds; we are going to pull that in," if that is one of the provisions in this bill, but in addition to that, under your so-called interest rate procedure, you say, "In addition, we are also going to take out each year this additional amount of money regardless of that year's operation by the TVA." Now, it is my understanding that any money above actual operating expenses, plus the reserve for the proper operation of this corporation, under present law, has to be returned to the Treasury.

Mr. JONAS of North Carolina. Sure, under the present law it belongs to the Federal Government, but we do not get it. That is just the point. We not only do not get it, but they spend all they take in on their own expansion with the exception of payments required by law to apply on principal and keep coming back to us every year for hundreds of millions more, and that is the point.

Mr. WHITTEN. Could it be the increased demands of the Atomic Energy Commission which repeatedly this Congress has dumped on them that brings about that situation?

Mr. JONAS of North Carolina. I just stated that next year about 50 percent will go to Federal agencies, about 34 percent to industrial and commercial users, and about 16 percent of the power produced by TVA goes to residential users, and one-fifth of the 16 percent of that goes to heat houses.

Mr. WHITTEN. But the additional money in recent years that has been made available to TVA by appropriations has largely been to increase its productive capacity to meet Federal Government demands.

Mr. JONAS of North Carolina. I think TVA is spending about a half million a year promoting the sale of electricity.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. JONAS of North Carolina. I yield to the gentleman from California.

Mr. PHILLIPS. I do not want the matter to stand as I think the gentleman from Mississippi inadvertently left it, that we had denied \$25 million or that the \$25 million had been taken from the operating expenses for 1955. That was

taken from what the Tennessee Valley Authority itself said will be a minimum of the amount left over and unused at the end of 1955. There is no money taken from operating expenses that the Tennessee Valley Authority has any expectation of using.

Mr. WHITTEN. Mr. Chairman, if the gentleman will yield further, I would just like to say this, that the net effect, in my judgment at least, is as I have pointed out—by requiring that certain activities which the Commission has approved be confined in the way that the gentleman says—the effect is to reduce the operating capital of the corporation.

Mr. JONAS of North Carolina. May I say that the corporation has never had a dearth of operating capital. TVA will have in the bank July 1 of this year \$309 million. Now, part of that is already obligated. They will start off fiscal 1955 with \$309 million in the bank. They will receive from the sale of power \$200 million and about \$20 million from the sale of fertilizers and chemicals. In addition to all of that, we gave them \$103 million in this bill.

Does not that look to the gentleman as if it ought to be adequate capital? They have carried over money every year, back as far as I have checked the records. I think the Federal Treasury today is in worse shape than the TVA.

Mr. WHITTEN. Let me say to the gentleman, whatever the condition of the Federal Treasury—and I agree with him that it is in a bad plight—that the wealth that we have in this country, including the TVA power generation facilities, is the only thing that keeps the country from really getting into bad shape, because it is things like that, plus the other physical properties of our country, that represent our wealth, after all.

Mr. JONAS of North Carolina. May I say on that point that we heard a lot of debate in this chamber last year, and we will hear it again, about the wonderful blessings that have come to the Tennessee Valley as a result of TVA. I am proud of the fact that those people have received those advantages. But let me say to you, Mr. Chairman, that most of those advantages would have occurred without TVA. Why do I say that? I say that because my State did not have any TVA and we have made just as much progress as Tennessee has in the last 20 years. The same is true of Georgia. The same is true of Alabama. The statistics are there; they are in the record. Tennessee has made progress. Of course it has. But TVA is no more responsible for that progress than the private power companies are responsible for the progress that North Carolina has made.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. JONAS of North Carolina. I yield.

Mr. ABERNETHY. I do not want to be misunderstood. I certainly do not question the gentleman's sincerity, because I know he is very sincere and has made a very thorough study of this subject. I am satisfied that he believes everything he has said on this matter. But here is what I want to ask the gentleman. Does not the gentleman agree

that had it not been for the power policy of previous administrations regarding TVA and the development of rural electrification—the Bonneville Power Association and so forth—that the progress which has been made in the gentleman's State and all other States of the Union would not have been made?

Mr. JONAS of North Carolina. I would not agree on that. I see no point in our debating that subject. The gentleman has his view on it. I think and have always contended that we have made progress in this country under every administration. I do not think any political party is entitled to the credit for the progress that we have made. I do not think that the wheels of civilization first began to turn in 1933. I think we made great progress in this country from 1900 up to 1933, and I think we will make progress in the future. I think most of the progress we have made, however, has been due to the native ability spirit of self reliance, initiative, and love of liberty on the part of the people and not due to any political party.

Mr. ABERNETHY. Would the gentleman yield for another question?

Mr. JONAS of North Carolina. Yes.

Mr. ABERNETHY. The gentleman is familiar, without restating it, with what the President had to say during the campaign in Memphis and Nashville regarding TVA. Will the gentleman tell us whether or not this bill which his committee has brought out is the Eisenhower program for TVA?

Mr. JONAS of North Carolina. I am not speaking now on any program except my own. The Chief Executive will speak for himself. I have my own responsibility and am trying to discharge it.

Mr. ABERNETHY. I appreciate that, and I think the gentleman is very capable of carrying his responsibility out, and does an effective job.

Mr. JONAS of North Carolina. With respect to the statement attributed to the President in the Tennessee newspapers, that he would not undertake to liquidate TVA or something to that effect, I am in agreement. I do not stand here advocating the abolishment of TVA. We gave them \$103 million in addition to all the money they had on hand. Is not that treating them pretty well? Is not that a pretty large amount of money?

Mr. ABERNETHY. We have had no increase of power down there.

Mr. JONAS of North Carolina. Did not the gentleman hear me say a minute ago that TVA gets a lot of its power from private power companies?

Mr. ABERNETHY. And in the past it has sold some of its power to private power companies.

Mr. JONAS of North Carolina. There is a private power utility operating right there at the edge of Memphis, Tenn., that last year sold TVA three-quarters of a billion kilowatt-hours of power and TVA integrated it into its own system. There is another private power company operating right out of Chattanooga that sold half a billion kilowatt-hours of electricity to TVA last year.

Mr. ABERNETHY. Going back to my other question, will the gentleman tell me whether or not in his opinion this bill is in keeping with the President's program and commitment to TVA?

Mr. JONAS of North Carolina. Why is it not? But I am not here to defend the President's program today. I am here trying to explain why our committee believes that TVA ought to pay the American people interest on the money we have provided for the development of this great power system.

Mr. ABERNETHY. Did not the Republican members of the committee apprise the President of what they were about to report out, to determine whether or not it was in keeping with the administration's policy?

Mr. JONAS of North Carolina. Why not ask the other Members that? I do not call up the White House and discuss matters with the President.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. JONAS of North Carolina. I yield.

Mr. JONES of Alabama. The gentleman stated there were private utilities in the surrounding area that offered to sell TVA electric power. Is that the reason the committee reduced the budget request from \$141 to \$103 millions?

Mr. JONAS of North Carolina. No, we gave to TVA every dollar they need to complete the construction of every unit that is now under construction.

Mr. JONES of Alabama. I am speaking of the budget now.

Mr. JONAS of North Carolina. I am talking about the bill and the request that was made of us by TVA.

Mr. JONES of Alabama. My question is, Is that the reason the committee reduced the budget request from \$141 to \$103 millions?

Mr. JONAS of North Carolina. We did not reduce it that much. We told them to spend some of this money out of the \$220 million they are going to receive from the sale of power next year, and the reserves that they have. We gave TVA every dollar they need to complete the construction of the steam plants now under construction.

Let me make one thing very clear: The reason I have mentioned the fact that TVA is now acquiring power from private utilities is so that there will be no misunderstanding on the part of the House as a result of statements made here in this chamber that TVA is the only supplier of power in the TVA area. That is just not in accordance with the facts.

Mr. JONES of Alabama. Will the gentleman read the report where it states there was a reduction of \$38,218,000 and say that there was no reduction?

Mr. JONAS of North Carolina. May I suggest to the gentleman that he read the rest of it, and he will see that it is not a reduction. Most of that money is transferred to the corporate account or reserves.

Mr. JONES of Alabama. Yes, and out of the corporate account would be the amount of the reduction in the budget request.

Mr. JONAS of North Carolina. They were just asking us to put up taxpayers'

money to do this, and we said, "As to that amount of the budget, you pay for it out of the money you receive from the sale of power."

Mr. MURRAY. Will the gentleman yield?

Mr. JONAS of North Carolina. I yield to the gentleman from Tennessee.

Mr. MURRAY. I am sure the gentleman does not want to leave the impression that on June 30 of this year TVA will have \$309 million which is not committed.

Mr. JONAS of North Carolina. I did not say it was uncommitted. I said part of it was obligated.

Mr. MURRAY. I refer the gentleman to page 2451 of the hearings, where the following testimony appears:

I would like to be sure the record is clear on this and I do not want to misunderstand you, either; so let me start off with the \$309,842,000 in cash that you expect to have in the bank on June 30, 1954. What liabilities will exist against that cash at that time?

Mr. Wessenauer, who is an official of the TVA, replied:

We estimate current liabilities of \$64.5 million. We will have unliquidated commitments of \$223.5 million.

Mr. JONAS. Those liabilities add up to \$288 million.

Mr. WESSENAUER. That is right.

Mr. JONAS. So that would reduce your cash position to about \$21 million.

Mr. WESSENAUER. That is right.

So that TVA will have only \$21 million that is not committed on June 30th.

Mr. JONAS of North Carolina. No, that is not true. That was corrected later. Several pages later in the hearings the gentleman will see that TVA admitted they will have in the neighborhood of \$46 million in carryover funds instead of the \$21 million. That is what they have had, roughly between \$40 and \$50 million, every year.

Mr. WHITTEN. If the gentleman will yield, will he not admit that \$46 million is a whole lot different than the \$300 million figure?

Mr. JONAS of North Carolina. No, I did not say they had \$309 million in unobligated funds. I said part of that is obligated.

Mr. WHITTEN. But by not going into the question of obligation or unobligation the implication was easily left here that there is \$309 million.

Mr. JONAS of North Carolina. They will have \$309 million unspent to begin 1955 with, part of which has been obligated.

Mr. WHITTEN. How much?

Mr. JONAS of North Carolina. I do not know offhand, but the record will show that.

Mr. WHITTEN. It would be the difference between that and \$46 million.

Mr. JONAS of North Carolina. No, the \$46 million is what they will have on June 30, 1956, but the average cash balance that they carry from month to month is in the hundreds of millions of dollars. I have that record here and I will put it in the Record. They made a table showing the average cash balance. It is in excess of \$100 million. I am glad, however, if there was any misunderstanding, to clear it up. I did not

mean to say that they will have \$309 million in unobligated funds. I said part of those funds are obligated, but I want to emphasize the fact that they will have \$227 million in income, and we give them \$103 million.

In conclusion, may I apologize to the members of the committee for taking up so much time. I meant to sit down long ago, but questions were asked and I felt that I should try to yield to answer them.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. JONAS of North Carolina. I yield.

Mr. McCORMACK. I merely want to comment that I think this debate has been a very excellent one and a very interesting one. The gentleman has yielded very generously to answer questions, and the gentleman from California too has given me some of the most pleasant moments I have ever had in my many years here by reason of the constructive debate that we have just had.

Mr. JONAS of North Carolina. I thank the gentleman for his kind words.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. JONAS of North Carolina. I yield.

Mr. GAVIN. I, too, want to compliment the gentleman on his very fine statement. In fact, I was inclined to get into the debate so that I could be of some assistance to him, but I saw you were handling yourself very well and were taking on the whole TVA one at a time and doing a very fine job. I think the gentleman deserves our hearty commendation.

Mr. JONAS of North Carolina. I was not offering to take on anybody. I just have the feeling that the TVA, out of its vast power revenues, ought to return to the American taxpayers interest on the money that we have given them for that development. That is all there is to it.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. JONAS of North Carolina. I yield.

Mr. ANDREWS. I am sure the gentleman is familiar with the TVA territory, is he not?

Mr. JONAS of North Carolina. Yes, sir, I am thoroughly familiar with it.

Mr. ANDREWS. Is it not true to say that there is only one utility operating in that territory?

Mr. JONAS of North Carolina. No, sir, there are other utilities operating in Tennessee.

Mr. ANDREWS. I say in that territory.

Mr. JONAS of North Carolina. I think there are four operating in Tennessee. I think this is the only one that generates electricity.

Mr. ANDREWS. I am talking about generating electricity.

Mr. JONAS of North Carolina. There are some gas companies.

Mr. ANDREWS. I mean the TVA is the only one for electricity.

Mr. JONAS of North Carolina. I think that is true.

Mr. ANDREWS. The TVA is the only utility engaged in the business of producing electricity, is it not?

Mr. JONAS of North Carolina. Yes, I think that is correct.

Mr. ANDREWS. The record shows that from time to time the TVA calls upon private utilities in the periphery area to furnish them power, and then the private utilities call upon the TVA to furnish them power, is that not correct?

Mr. JONAS of North Carolina. That is correct.

Mr. ANDREWS. Then it is true that the TVA is the only power producing utility in the TVA area?

Mr. JONAS of North Carolina. I suppose the difference between us is this. The gentleman says that the TVA is the only producer of power in that area. I say that there are other producers of power around the periphery of TVA.

Mr. ANDREWS. I will not argue about that.

Mr. JONAS of North Carolina. There are other producers of power around the periphery of the TVA who supply the TVA with some power which TVA integrates into its system.

Mr. ANDREWS. My statement was that it was the only power-producing utility operating in the TVA territory.

Mr. JONAS of North Carolina. I would agree that that is a correct statement.

Mr. ANDREWS. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. FRAZIER].

(Mr. FRAZIER asked and was given permission to revise and extend his remarks.)

Mr. FRAZIER. Mr. Chairman, we have all enjoyed the debate between the distinguished gentleman from North Carolina and the other Members. He has his idea as to what should be done with the TVA, and we who live in the immediate area which is served by that great agency of the Government differ somewhat with the distinguished gentleman from North Carolina. The Tennessee Valley Authority requested an appropriation of \$227 million for 1955. Eighty-five million dollars of this amount was for the construction of 4 additional units at Johnsonville steam plant, 1 at John Sevier, 1 at Gallatin, and 2 units at Fulton.

The Bureau of the Budget recommended an appropriation of \$142 million, but nothing for new construction.

The Appropriations Committee, in reporting this bill, recommends an appropriation of \$103,582,000, cutting the amount recommended by the Bureau of the Budget by \$38,218,000.

The bulk of the 1955 appropriation requested by TVA is for power facilities to provide for national defense. At the present time about 45 percent of all electric power generated by TVA is used by the Government for national defense.

This is more power than was used by the State of Texas last year, or in the State of Ohio. In fact, the electric power used by the Atomic Energy Commission last year is greater than that used by any 1 of the 45 of the 48 States; it is exceeded only by the sales in the States of New York, California, and Pennsylvania.

The greatest single factor in the rapid increase in demand for power which has occurred during the past few years in

the Tennessee Valley has been the need of the Atomic Energy Commission.

IMPORTANCE OF TVA POWER FOR NATIONAL DEFENSE

By far the greater part of the new generating capacity that TVA plans to put in operation between now and the fall of 1956 and 1957, and for which Congress is presently being asked to appropriate funds, will supply power vital to the defense of our Nation. More than half of it is required to help power the new and expanded atomic energy installations; other parts will supply industries producing vital defense materials—large power-consuming industries supplied directly by TVA and a large number of smaller industries served by the municipal and cooperative distributors of TVA power.

In World War II, three-fourths of TVA's entire power output was used for defense production. More than 10 percent of all the power used in the United States defense effort came from the TVA system. In future emergencies, similar or larger proportions are to be expected. The availability of TVA power, not only during the war but before the war, was of incalculable value: TVA power produced much of the aluminum that helped make possible the rapid expansion of the aircraft program; TVA power was used to produce much of the phosphorus for incendiary bombs and other military uses; TVA power produced large quantities of the ferroalloys so essential to the production of alloy steels for weapons of all kinds; TVA power helped separate uranium 235 at Oak Ridge for the A-bomb; and the availability of TVA power was a key factor in the location of the Oak Ridge operations.

History has a way of repeating itself—TVA power will be as badly needed again. Last time a vital margin of power capacity was available. Will the power be available the next time? Today's limited supply of power will greatly increase the initial operating costs of the new atomic energy plants. A margin can be provided without any cost, because temporary uses of the power can be found on a moneymaking basis, but shortages are very, very expensive. The generating capacity TVA hopes to add between now and the fall of 1956 is not enough to again establish the much-to-be-desired margin of power supply that was so valuable before and during World War II. It is designed to do no more than to keep power supply barely ahead of presently foreseeable demands. With any less capacity, we would face future crises not with power to start with but with the serious handicap of a power deficiency before defense demands begin to mount.

It is inconceivable to believe that this Congress would knowingly increase the cost of national defense, but that is just what it will do if the appropriations for TVA are cut so that it cannot generate sufficient power to supply the AEC with its requirements. The only other alternative is to purchase this power from private utilities at very much higher rates.

The present bill, now under consideration, contains several provisions which, if adopted, will ultimately destroy the

purposes for which TVA was created. That is a yardstick to determine what should be a fair price for generating and selling power to the public. The provisions in this bill are cleverly designed to destroy this yardstick.

First, the bill restricts the amount of electricity that can be supplied, by failing to provide adequate funds to build additional generating facilities. Naturally, the more electricity generated, the cheaper it can be sold to the consumer, whether it be to the Government or private industry.

Second, it provides that the TVA, a Government agency, be required to pay interest on the money the Government has invested in this Government owned and operated agency. The Government owns the TVA, and the act provides that all the money invested by the Government in the powerplants be paid back to the Government over a 40-year period. This is now being done, and when this money is repaid, the Government will own this vast utility. It is the best investment ever made by this or any other Government. By this provision, as in the first provision, the opponents of TVA hope to cause a rise in the rates, and thereby justify the higher rates charged by private power companies.

In the present bill no funds are provided for resource development, which was and is one of the most important functions of TVA. The bill does provide that TVA may use not to exceed \$600,000, derived from proceeds of operations, for this purpose. This fund should be increased to at least \$1,200,000, the amount received last year.

Last, the bill provides that no limitation be placed by TVA on resale rates of power fixed by local distributors. This is the worst feature of the entire bill, and completely destroys the power of TVA to keep down electric power rates.

In my State of Tennessee, the municipalities could charge, without restriction, any rates they desired. It has been said that cheap rates in the TVA area have attracted industry to come there. If this provision is left in the bill, it will bring about just what enemies of TVA have charged but do not want. Industries will come to the TVA area, for there is nothing to prevent any of the municipal distributors of TVA power from agreeing to supply, as an inducement to a manufacturing plant to come to the TVA area, such electric power as would be needed to operate the plant absolutely free, or at such low costs that no company could compete. Furthermore, there is nothing to prevent any municipal distributor from raising its rates if it needed funds to build schools, roads, or to pay other operating costs.

When TVA was created it was common knowledge that many existing municipal electric systems as well as privately owned systems were being managed on a basis not compatible with sound principles of public-utility administration or with the policy objectives prescribed by Congress for TVA. For example, in some municipalities the electric systems were so operated as to compel the electric-rate payers to pay all or most of the costs of municipal govern-

ment through their electric light bills. In other communities there was gross discrimination in rates, with certain groups of consumers or certain industries receiving service at rates which were unduly low and which were in effect subsidized by the other consumers. In only a few communities in the country was there an awareness of the importance of ample supplies of low-cost electricity as an instrument for raising the levels of community prosperity.

The resale rate agreements were therefore specifically authorized by Congress, as a means by which distributors could signify their willingness to adopt these objectives, and could establish rates adapted to them with the knowledge that all other TVA distributors were following the same course. In short, the resale rate agreements were and are the basis of a partnership aimed at carry-out the policies stated in the TVA Act and at realizing the economic benefits which it was believed would, and which in fact did, result from these policies. The Tennessee Valley region has entered wholeheartedly into this partnership. The legislatures of the States in which TVA principally operates have passed legislation in effect approving the resale rate agreements by specifically authorizing municipalities, cooperatives, or both, to enter into them.

Maintenance by distributors of rate standards conforming to the policies set out in the TVA Act and endorsed by the Tennessee Valley States is feasible only because there is a definite contractual provision relating to resale rates which is applicable to all distributors alike.

Having discussed some of the provisions of the pending bill, I now wish to call to your attention briefly the history of the TVA and its benefits to the Nation.

Tennessee Valley Authority, was established 21 years ago, on May 18, 1933, and is now entering its 21st year of service and benefit.

In the act creating TVA the Congress directed it to—

First. Provide the maximum of flood control.

Second. Develop the Tennessee River for navigation.

Third. Consistent with flood control and navigation, to generate electric power.

Fourth. Develop the proper use of marginal lands.

Fifth. Further and develop reforestation.

Sixth. Make a contribution to the improvement of agricultural conditions.

The Tennessee River Valley was selected for this great National project and resource development because the Army engineers had prepared many surveys and had most complete information concerning it readily available. The Tennessee River is 650 miles in length, and during its course drops approximately 600 feet. In the place of its origin in the mountains of eastern Tennessee, North Carolina, and Virginia, there is approximately 80 inches of annual rainfall with about 50 inches prevailing over the entire valley. The largest city upon the Tennessee River is my home of Chattanooga, Tenn.

Let me say now, that the TVA is not just a giant electricity enterprise as it is so often and erroneously thought of. It is a great program in the development of the Nation's resources, confined, of course, to a specific area, but with the benefits being enjoyed nationwide. It was the TVA which pioneered in the construction of multiple purpose dams which developed the maximum benefits from control of a river—thus reaching several objectives instead of only one. They put into operation the very practical rule that control of water in a region, by means of dams, is naturally and inevitably linked with control of water on the land through better farm and forest management. Better farm and forest management have been developed and practiced in the Tennessee Valley contributing directly to the control of water, which in turn has its effect upon the stream flow of the river.

Many of the original TVA objectives, as defined by the Congress, have been substantially achieved. Others will be continually achieved with the passage of time. TVA's integrated system of 28 dams, which control the flow of water, have been very effective in the reduction of floods. Of the \$11 million of annual average benefits which have been brought about, through its system of flood control, more than half of these benefits are outside of the valley—in the lower Ohio and Mississippi Valleys. It provides security from floods, of certain stage, to nearly 6 million acres of productive Mississippi Valley land—it reduces the frequency of floods in the Mississippi Valley on an additional 4 million acres. The direct savings from flood destruction in the valley have been tremendous. My own city of Chattanooga has been saved an estimated \$45 million. Let me say that TVA manages the flow of the river with flood control as their first consideration.

A 9-foot navigation channel now exists upon the Tennessee River from Paducah on the Ohio to Knoxville, Tenn., a distance of 650 miles. This ice-free, all weather channel links the great Tennessee Valley region with the 8,000 mile inland waterway system of the United States. Upon it traffic is now running at the rate of nearly 1 billion ton-miles annually and this tonnage includes oil, gasoline, automobiles, coal, fertilizer, corn and wheat from the great producing regions of the Midwest and from the ports on the gulf coast. Shippers using this channel are saving in excess of \$8 million annually in traffic charges.

The cost to the Federal Government for operation and maintenance of this navigable waterway, which includes depreciation charges, expenses of the United States Army engineers and the United States Coast Guard who operate and maintain the locks at the dams, amounts to only \$3,600,000 annually. Thus, the difference between cost and saving in shipping costs is some \$4,400,000 annually, equal to a return of more than 3 percent on the public investment from this national navigation channel. In the coming years literally millions of tons of coal will use this waterway as it flows from the mines of western Ken-

tucky and southern Illinois into this steadily growing manufacturing region.

TVA, working with forest agencies in the valley, both State and national, has contributed greatly to the development of the area's great resource of timber and wood products. At one time the valley was the hardwood center of the world. In the not too distant future, as a result of forest programs now in progress, many of them sponsored and developed by TVA, the Tennessee Valley will again someday be one of the Nation's major hardwood centers. Over 236 millions of trees have been produced by TVA and distributed for reforestation—85 percent of the valley's forests now have some form of organized fire protection, and scores of owners of timberland have adopted systemized yield-cutting practices. The Tennessee Valley's already large economic activity based on the forests of the region has been steadily increasing.

The entire Nation, and fertilizer companies widely scattered, have benefited by TVA's work in the field of fertilizer development. It has been a factor in opening up the Nation's western phosphate reserves. Through use of the test demonstration farm principle, thousands of practical farms in many States have been encouraged and assisted in improved farm management, which in turn conserves the soil.

It is a primary requirement of any region, which must be met if there is to be a continued growth, that power-generating capacity in the region must be developed to meet its electricity requirements. This is true in the Tennessee Valley region. In 1933 municipalities, farmer-owned cooperatives, and the Federal Government joined as partners in the production and distribution of electricity. Through the TVA, the Federal Government became the source of the generation and transmission of electric power. The municipalities and the farmer cooperatives became the distributors and retailers. A relatively few large industrial users of electricity began the purchase of electricity directly from TVA. Over the years our National Government has erected enormous national-defense installations in the valley largely because of the availability of the required quantities of electricity, the remoteness of the location, and the strategic advisability of placing them there.

As the hydroelectric potential of the Tennessee River was developed, steam plants were constructed by the Federal Government to augment and firm up this supply, the first of these being in 1941. As the requirements of the Federal Government increased and skyrocketed, additional steam plants were built. With the low rates which prevail for the retail sale of electricity, consumption in the home, on the farm, in business and industry likewise skyrocketed. When the construction program now under way is completed in 1957 and 1958, national-defense installations will be consuming approximately 40 percent of TVA's electricity. This tremendous quantity—25 billion kilowatt-hours a year—when produced along with the approximate 36 billion kilowatt-hours a year required by

others, comes at a much lower cost than if produced separately.

The accumulated net income will steadily increase during the coming years with the liability to the Treasury being steadily decreased by the payments which TVA must make to retire over a 40-year period appropriated funds invested in power facilities.

The nearly 1¼ million consumers of electricity in the TVA service area representing some 5 million people in the area of 80,000 square miles have a moral and legal right to feel that there is an obligation for the partnership power program which has been in existence for 21 years between them and the Federal Government to be continued. This partnership program has been of benefit to the Nation—a national asset in the production of national-defense weapons, a contribution to strengthen an area which was undergoing economic stress. Augmenting the Federal Government's investment in this partnership, municipalities, and farmer cooperatives have invested hundreds of millions of dollars in distribution systems. Business and industry, the farm and the home of the Tennessee Valley's millions have invested additional hundreds of millions of dollars in electricity-consuming equipment upon the belief that this partnership and the conditions surrounding it would continue. The people of the Tennessee Valley expect the Federal Government to continue to carry out its responsibility as the power supplier for the region.

They are paying and will continue to pay for their power supply charges for this electricity which make it a profitable investment for the Federal Government. Under this system of retail distribution, no holding company act will ever be required of the Congress to protect the interests of the ultimate electric consumers. There will be no financial debacles or stock manipulation schemes in connection with these locally owned distribution systems for somebody to unravel in the years to come. There is no rapid tax-amortization program in effect upon these facilities such as is being enjoyed at the present time by the Nation's privately owned utilities where \$1,700,000,000 of power facilities are being written off in a 5-year period, and, of course, prior to taxes, instead of in the usual 30 to 35 years. The people and those in the Tennessee Valley who utilize TVA's electricity are paying wholly and completely the cost of its production and repayment of the funds which have made it available.

In 1957, unless the new steam-generating facilities requested by TVA are in service, it is conservatively estimated that power capacity will fail to provide that small necessary margin for reliable service and will also fall short of meeting anticipated power requirements. This Congress can do no less than to provide the necessary funds for TVA's necessary power program. It has a moral and legal obligation to do so and the funds cut from the TVA's original budget request should be restored in the bill.

My colleagues, I urge you to stop and think before you wilfully adopt the pro-

visions of this bill which are so clearly designed to destroy the usefulness of this great agency that has contributed so much to the safety of our Nation in the past, and that means so much to the future prosperity, not only of the area in which it exists, but to the entire country.

Mr. YATES. Mr. Chairman, I yield 10 minutes to the gentleman from Tennessee [Mr. MURRAY].

Mr. MURRAY. Mr. Chairman, I was disappointed over the action of the Appropriations Committee of the House with reference to the appropriation in the Independent Offices bill for the Tennessee Valley Authority. The Tennessee Valley Authority requested an appropriation of approximately \$227 million. Of that amount \$85 million was for new construction of 8 additional units, 2 units in beginning the building of the Fulton steam plant near Memphis, Tenn., 4 at the New Johnsonville steam plant on the Tennessee River, 1 at Gallatin, and 1 at John Sevier.

This additional appropriation of \$85 million for beginning the building of these 8 new units as requested by the TVA was denied by the Bureau of the Budget which did recommend to Congress that TVA be given an appropriation of \$141,800,000 for the next fiscal year starting July 1, 1954. To my surprise, however, the Committee on Appropriations has recommended an appropriation by Congress in this bill of only \$103,582,000—a reduction of approximately \$39 million in the amount requested by the Bureau of the Budget.

The TVA is facing a serious shortage of power in 1957 unless additional electric generating units are authorized by Congress, or unless it is relieved of part of the tremendous amount of power that is furnishing to the Atomic Energy installations at Paducah, Ky., and Oak Ridge, Tenn.

In his budget message the President on January 21, 1954, said to Congress:

Arrangements are being made to reduce by the fall of 1957 existing power commitments of the TVA to the Atomic Energy Commission by 500,000 to 600,000 kilowatts. This would release the equivalent amount of TVA generating capacity to meet increased load requirements of other consumers in the power system and at the same time eliminate need for appropriating funds from the Treasury to finance additional generating requirements.

The President in his budget message said this further:

In the event, however, that negotiations for furnishing these load requirements for the Atomic Energy Commission from other sources are not consummated as contemplated or new defense loads develop, the question of starting additional generating units by the Tennessee Valley Authority will be reconsidered.

Since the budget message was received by Congress the AEC, the Atomic Energy Commission, has requested TVA to furnish an additional load of 200,000 kilowatts of electricity for the atomic installation at Oak Ridge, Tenn. All of the electric power for the atomic plant at Oak Ridge is furnished by TVA.

Now let us see about who is furnishing the power of the atomic energy plant at

Paducah. The TVA was called upon to furnish one-half of the power needed by this atomic plant; private power companies were called upon to furnish the other half. So the TVA and the private power companies both built steam plants right near the atomic energy plant at Paducah. The construction of the TVA plant is weeks ahead of the construction of the private power company steam plant near Paducah. Furthermore, a comparison of the two installations shows that the private powerplants are being constructed at a cost of \$196 per kilowatt as against a cost of \$145 per kilowatt for the TVA construction, a difference of \$51 per kilowatt. Today both the TVA and the private power companies are furnishing power to the atomic plant at Paducah on a half-and-half basis.

What are the private power companies charging the AEC in comparison to the TVA charge for electric power at the Paducah atomic plant? The evidence shows in the hearings before the subcommittee that the private power companies are charging four-tenths of a mill more per kilowatt hour.

In other words, the private power companies are being paid four-tenths of a mill more than TVA is being paid per kilowatt-hour at the atomic plant in Paducah.

Mr. Chairman, unless TVA can build additional generating plants and additional units at existing steam plants—and it takes 3 years to build a steam plant—or unless the private power companies take off some of the power load from TVA to the atomic installations, there is going to be a serious power shortage in the Tennessee Valley area in 1957. So I am very much disappointed that this committee did not back up President Eisenhower's request and recommend the amount that he had suggested of \$141,800,000.

There are some private power companies who would like to destroy the TVA's yardstick for power rates, because TVA is operated so efficiently and so economically, because its operating costs are held down to a lower unit basis than that of the private power companies, because the TVA rate of 4-percent earnings is smaller than that of the private power companies and because therefore TVA can sell power at lower rates than the private power companies.

TVA has as its objective the widest use of electricity at the lowest price to consumers instead of greater and greater profits to the utility. The cost of transmission and distribution per kilowatt-hour in the TVA area by TVA is only one-half the average reported by private utility companies. The proportion of energy lost in transmission and distribution is 25 percent less in TVA than reported by private companies, and only one-third as much per kilowatt-hour is spent by TVA for customer accounting and collecting as is expended by private power companies. The general and administrative expenses of TVA are only 40 percent as great as they are with the average private power company. The overhead of the private power utility is much greater than TVA. And certainly

TVA does not have any high powered lobbyists like Purcell Smith who lobbies for the power companies at \$75,000 per year plus an unlimited expense account. These private power companies are jealous of the yardstick of TVA for proper, fair, and reasonable power rates.

Do you not know that the minute TVA is forced to raise its power rates the private utilities will likewise raise their rates? Do you not know that the efficient, economical operations of TVA have had a most beneficial effect upon the operation of the private companies and has caused them to lower their rates? The TVA has been a blessing to the people of the United States in holding down the cost of electric energy in all of the States and in keeping the private power companies in line. We are only asking that you give TVA sufficient additional power to take care of the tremendous amount of energy needed by the Atomic Energy Commission at its atomic plants located at Oak Ridge, Tenn., and Paducah, Ky., in addition to its residential, industrial, rural, and other commercial demands for power.

Now, what are the facts? At the end of this year TVA will be generating 50 billion kilowatt-hours of electricity and out of the 50 billion kilowatt-hours, 26 billion—a little more than one-half—will be used by the Atomic Energy Commission in the operation of its plants in Oak Ridge and Paducah. Besides, the TVA furnishes other Federal installations a large amount of power. We have the wind tunnel in Tullahoma, Tenn., which is being furnished all of its power by the TVA. We have aluminum plants and chemical plants being furnished power by TVA in its area and, certainly, aluminum and chemicals are essential to our national defense. The requirements of the Federal wind-tunnel installation at Tullahoma, Tenn., will run as high as 750,000 kilowatt-hours each year. All of us know of the great and valuable contribution TVA made to the development of the atomic bomb and to our victorious conclusion of World War II.

I ask you to consider what our Government is saving as the result of TVA furnishing more than half of its power at the end of this year to the Atomic Energy Commission compared to what it would be having to pay if it had to buy all of its electric power from the private utility companies. In line with the President's budget message, the private power companies have been called upon by AEC to see if they could deliver at least 500,000 to 600,000 kilowatts of electricity, and it develops that no sound proposal has been submitted by the private power companies to furnish this additional power. Mr. Nichols of the AEC stated before the subcommittee that it would cost the AEC between three and four million dollars a year more to receive from 500,000 to 600,000 kilowatts of electricity from private power companies than from TVA, and he said, "We have exhausted our authority, we are not willing to make that kind of a decision, and it will have to go to higher authority," meaning that the AEC is going to ask the President or the Director of the

Budget whether or not the Government is willing to pay at least three to four million dollars a year more for private power than TVA power for 500,000 kilowatts as suggested by President Eisenhower when TVA is owned body and soul by the Government and is an instrumentality of the Government.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. MURRAY. I yield to the gentleman from Tennessee.

Mr. COOPER. I ask my distinguished colleague if it is not true that by 1955 the equivalent of all the hydroelectric power of the entire TVA system will be required by the Atomic Energy Commission alone.

Mr. MURRAY. My colleague is exactly correct. The TVA is an essential part of our national defense program and is lowering the cost of our national defense by furnishing power to the atomic energy plants at Oak Ridge and Paducah at a cheaper rate than the private power companies. Certain enemies of TVA would wreck, destroy, or liquidate TVA if they had it within their power. Since they cannot destroy TVA they are now seeking to cripple or weaken its operations by slow strangulation. They are not going to succeed in their efforts. TVA has already paid back to the Federal Treasury \$57½ million of its power appropriations and is ahead of its scheduled payments by \$9 million.

Mr. ANDREWS. Mr. Chairman, I yield 8 minutes to the gentleman from Alabama [Mr. JONES].

(Mr. JONES of Alabama asked and was given permission to revise and extend his remarks.)

Mr. JONES of Alabama. Mr. Chairman, from the reading of the bill, the report, and the testimony, we are impressed by the fact that the issue raised by the report and the hearings is the issue of private versus public ownership of our utilities. I regret that this becomes the issue in this case, for I was hopeful that we would consider the broad aspects of the power situation that confronts this country rather than bring up the wornout cliché of private versus public power ownership. It is apparent from the estimates made by the officials of the Tennessee Valley Authority that the moneys provided in this bill will not be sufficient to construct the needed generating capacity that will be required during the fiscal years 1955 and 1956. It is estimated that in 1956 the Atomic Energy Commission will require an amount equal to one-third of the total amount of power generated in this country prior to World War II.

There is one thing about electric power that we must keep in mind. You cannot stockpile it; you cannot closet it away and have it there obtainable in time of national emergency. While we are making preparations to avert war, we must also assume our responsibility to gear our defense program to have enough energy in time of war, not only for the public utilities in this country but also for the private utilities. We have recognized our obligation in that respect. In 1950, if you recall, we provided for tax amortization for the private utilities.

Since that time, it is my understanding that every private utility in the country has availed themselves of the tax amortization provided for them. It is my further understanding that the Defense Power Administration has not rejected a single applicant. Private utilities have obtained tax amortization in the amount of \$2,886,000,000. That means that the taxpayers of this country are paying for the private utilities to construct new generating capacity to meet the future defense needs of this country. And I think it is a wise policy of our Government to do that; but, by the same token, we have a greater responsibility to see that public and federally owned generating facilities are expanded for the times and conditions we face.

Let us examine this so-called private versus public ownership of utilities. A private utility does not operate like an ordinary business such as a privately owned drugstore or grocery store. A utility operates on a franchise to engage in a monopoly of the generation and distribution of electric energy. But it does that under governing bodies such as public service commission boards. The board that has supervisory authority over the private utility may say, "No, you cannot do this, you cannot do that." But the board cannot say to that utility, "We need additional capacity and you must build that capacity," because that does not come within its prerogatives. It cannot tell a private utility how much capacity the utility must have.

But as far as public utilities are concerned we tell them that in planning for future needs they must take into account national defense estimates and needs as well as the needs of their domestic consumers. Since its creation, TVA has never erred in estimating these requirements.

Let us now examine the situation that presently exists with private utilities. In 1947 Mr. G. C. Neff, reporting as president of the Edison Electric Institute Bulletin, had this to say:

It is evident that the problems of adequate generating capacity arising from rapid load expansion are well on the way to solution. The worries of operating with small reserves of generating capacity which have been ours since last August will begin to diminish in about 7 months, although another 12 months may elapse before they disappear in all parts of the country.

At the expiration of 7 months here is what Mr. Phil Sporn, the president of the American Gas & Electric Service Corp., had to say:

I think it can be stated as a fact that barring some major disruptions in our industrial operations * * * the power situation will come into a completely normal position by 1950 in most of the country and by 1951 in the entire country.

When 1951 arrived, here is what Mr. L. V. Sutton, in the Edison Electric Institute Bulletin, had to say:

Our committee reports that this coming December and in December 1952, we may expect to have about the same percentage of reserve capacity that we had in December 1950, which was 10 percent. It is about half of what we expected to have before Korea, but on account of the time required to

build new generating capacity, the construction program could not be increased in 1950 and 1951, and not until 1953 and 1954 could we expect to gain much increased capability.

So we are faced not only with a shortage in the field of private generation and sale of electric energy but we are also faced with the same problem in connection with the public and federally owned properties.

Do you realize that the only substantial surplus power we had on hand at the beginning of World War II was from public power plants in the great Pacific Northwest on the Columbia River and on the Tennessee River. And, these plants produced 93 percent of the aluminum used during the war.

Now there is a great need for titanium, which can only be produced by electricity. At the present time a titanium plant is being located in the State of Tennessee purely for defense purposes. I wonder how they expect to get the energy to produce these defense materials if we do not have generating capacity to produce the energy they will require.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Tennessee.

Mr. EVINS. The gentleman has a very distinguished record here in fighting for the Tennessee Valley Authority. May I ask him whether or not, in his opinion, the two legislative riders or restrictions which are proposed to be written into this appropriation bill are the most damaging and far reaching that he has seen in dealing with matters of this nature?

Mr. JONES of Alabama. Certainly they will not be helpful to the TVA. It cannot continue to operate without impairment if this language prevails.

Mr. EVINS. Both with regard to the interest rate and with regard to the fixing of the local rates by governmental agency?

Mr. JONES of Alabama. Yes. If we are going to continue the manufacture of fissionable material at Oak Ridge, certainly there has to be sufficient power on hand to meet those needs. It behooves us now to think of what will be required of this great Republic in the way of resources in case of an all-out war. Certainly we would be indifferent to our obligation, our high responsibility, if we fail to provide the power potential with which to prepare for defense.

Mr. COTTON. Mr. Chairman, I yield 5 minutes to the gentleman from Maryland [Mr. HYDE].

(Mr. HYDE asked and was given permission to revise and extend his remarks.)

Mr. HYDE. Mr. Chairman, I call the attention of the committee to something that is perhaps of not as great national importance as we have just been discussing but which is certainly of importance to the great metropolitan area of the Nation's Capital. I have reference to that part of the bill dealing with the National Capital Planning Commission.

I refer particularly to the appropriation under the general heading of

"Land acquisition, National Capital park, parkway, and playground system." I am gratified to see that the committee granted the appropriations asked for, but I am a bit concerned about the language in the bill which begins, "As a final appropriation under authority of the act of May 29, 1930." These appropriations and these funds are to be used to construct parks, parkways and playground systems in the greater Washington metropolitan area under the authority of the bill popularly known as the Capper-Cramton Act, and they have under that act acquired many useful and necessary parks and playground systems. I should hope the committee does not intend by the language of the bill that there will be no more of such parkway, park, and playground systems acquisitions as the result of the language of the committee in the bill designating this as a final appropriation. Would the chairman of the committee be good enough to clarify that language please?

Mr. PHILLIPS. I will be very glad to, and I am very glad that the gentleman from Maryland brought the question up because I overlooked it in my opening statement and had intended to mention it. The situation is this. The request for this year was to furnish certain connecting links in the park system. The subcommittee has recommended the allowance of the entire amount requested of about \$545 million, which was something more than we have appropriated year by year in preceding years. The committee, however, realized that the Capper-Cramton Act had been passed 24 years ago when there was a very different situation. A great deal of the land had not been developed in the area and the people had not moved into the area as residents who were then paying taxes to the States of Virginia and Maryland. The financial situation of the Federal Government may have been somewhat different than it is today. The committee requested the interested people to go back, that is the Commission, to go back to the legislative committee and ask for a review of a further authorization before they came to us to ask for more money.

Mr. HYDE. I thank the gentleman from California for his explanation of that language. I simply want to have the record show at this time that we earnestly hope such language will not result in the discontinuance of the allowance of funds in the future under the Capper-Cramton Act because it has been something that has been very, very necessary and beneficial to the Nation's Capital even though much of the money did go for parks and parkways outside of the geographical boundaries of the District of Columbia and certainly with the growing population to which the gentleman from California has referred, there will be need of more of such park and parkway acquisitions. I certainly hope that Congress in the future will go forward with the fine policy started under the last Republican administration under the Capper-Cramton Act.

Mr. ANDREWS. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. PRIEST].

Mr. PRIEST. Mr. Chairman, I planned to say a few words about the legislative provisions of this bill, but apparently that is a moot question since there is no rule waiving points of order and since those legislative provisions would go out on a point of order I hope I may have the attention of the distinguished chairman of the subcommittee for a minute or two to ask a question about that. It is with reference to the action of the subcommittee in denying any funds for new construction. I go back first, I may say to the gentleman from California, to the Bureau of the Budget. It is my understanding that the Bureau of the Budget in disapproving any requests for new construction based that disapproval on the recommendation that at least 600,000 kilowatts of power being furnished or to be furnished to the Atomic Energy Commission plant at Oak Ridge might be furnished by private utilities, that is correct, is it not?

Mr. PHILLIPS. That is correct, but also it should be said that the additional power which might be needed for AEC developments amounting to about 225,000 kilowatts could be furnished by a combination of private facilities for that purpose. In other words, there was no request, as the gentleman said, for additional money to enable new starts.

Mr. PRIEST. I understand, and I appreciate the gentleman's explanation.

The next question is, Has the subcommittee received any assurance from the Bureau of the Budget or from the Atomic Energy Commission that the 600,000 kilowatts for Paducah and the 200,000 additional kilowatts for Oak Ridge, recently requested, can be supplied to the Commission as of a given date when it will be needed?

Mr. PHILLIPS. Will the gentleman correct his record to show it was 500,000 and not 600,000?

Mr. PRIEST. I shall be happy, if that is true. However, in my correspondence with the Atomic Energy Commission they referred to it as 600,000.

Mr. PHILLIPS. In the committee they referred to 500,000. The answer to the gentleman is that we have had no subsequent statement. We know that this is under almost daily conference between the Atomic Energy Commission, the Bureau of the Budget, the TVA and the private power-producing agencies.

Mr. PRIEST. I thank the gentleman.

Mr. SUTTON. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield to the gentleman from Tennessee.

Mr. SUTTON. It is my understanding that the reason why the TVA requested four additional units at New Johnsonville was to take care of a situation which was cut out, and upon which you will offer an amendment to put it back in.

Mr. PRIEST. I appreciate the gentleman's remark.

Mr. JONAS of North Carolina. I think that was the Fulton plant instead of New Johnsonville.

Mr. SUTTON. No. That was starting a new project, but New Johnsonville was asking for four additional units which are needed at this time.

Mr. JONAS of North Carolina. That did not come to us.

Mr. PRIEST. The total request to the budget was for 8 additional units; 2 at Fulton, 4 at New Johnsonville, 1 at Galt, and 1 at John Sevier. Is that correct?

Mr. SUTTON. That is correct.

Mr. PRIEST. It is my understanding that \$85 million was requested to begin construction of those eight units, and the distinguished gentleman from Alabama [Mr. ANDREWS] will offer an amendment to that effect tomorrow. Is that your intention?

Mr. ANDREWS. That is correct.

Mr. PRIEST. May I say again that I received on Friday, March 26, a letter from Mr. K. V. Nichols, general manager of the Atomic Energy Commission, in which he states that conferences are now underway with the Bureau of the Budget, the TVA, and the Atomic Energy Commission with reference to this power demand of AEC, and that the Bureau of the Budget is considering the matter at the present time; and that if it develops that this power cannot be supplied by private utilities—who, incidentally, perhaps, have to build steam plants on their own in order to do it—if it cannot be supplied, then they will reconsider this determination previously made, and perhaps submit to the Congress a supplemental budget authorizing the additional construction funds for the Tennessee Valley Authority.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. ANDREWS. I yield the gentleman 1 additional minute.

Mr. PRIEST. Is that the understanding of the subcommittee, that that is the situation with reference to this need of the AEC?

Mr. JONAS of North Carolina. That is correct.

Mr. PRIEST. Then I feel that since 3 years at least are required for the construction of a steam plant, and since there is an area of uncertainty in this situation which I feel is too great a risk with the United States security and the economy of the Tennessee Valley, that on tomorrow, when opportunity presents itself, we should provide some funds to begin some of this construction, because it is my honest opinion that out of the negotiations currently under way this has to be done in any event. If the load is to be met, it should be met promptly. So I hope we will support the amendment to be offered by the gentleman from Alabama tomorrow in order that construction for some of this needed energy may begin at once.

Mr. ANDREWS. Mr. Chairman, I yield 5 minutes to the gentleman from Alabama [Mr. ELLIOTT].

Mr. ELLIOTT. Mr. Chairman, I appreciate this opportunity to discuss with you the independent offices appropriation bill for the fiscal year 1955, which begins July 1.

I wish the time allotted me was sufficient to discuss many aspects of the bill. I would like to discuss some of the items pertaining to the atomic energy program of our Government. I certainly would like to discuss the matters with reference to the public-housing program.

Under the limitation of time, however, I will confine myself to appropriations for the TVA for the coming year.

Out of the welter of debate today, most of it by those of us who came to Congress long since the passage of the TVA Act 21 years ago, it appears that the TVA has many characteristics or attributes.

In the first place, it is large. We are told that it is now the largest generator, and perhaps distributor, but certainly the largest generator of electric power in the whole world. Its bigness, I am sure, we will all agree is not the fault of the TVA, but is the direct result of the responsibility which the Congress gave the TVA when it passed the basic act in 1933, and is the result further of the responsibility to serve the area given TVA about 1939 or 1940, when the privately owned electric power utilities and the TVA agreed upon their respective service areas. The TVA service area has not grown geographically, because, I am informed, it has not violated the original agreement as to its service area, but I point out, Mr. Chairman, that that area of the country has grown most rapidly as the result of the abundance of cheap electricity. Another reason for the bigness of TVA is the fact that our Government has placed such responsibility on its shoulders for the generation and delivery of power for governmental uses. The vast reserves of power in the valley in 1942 caused our Government to locate its atomic energy plant at Oak Ridge, Tenn., and because TVA was big in the power generation and distribution field then, we were able, less than 3 years later, to drop atomic bombs on Hiroshima and Nagasaki and thus bring World War II to an early and successful conclusion.

Once we had entered the atomic field, we raced forward with developments that today are taking 35 percent of the present output of TVA power facilities, and we are told that next year 50 percent of all the power produced by the TVA will go into our atomic and hydrogen programs. Of course, the TVA is large.

In the second place, I think this debate has developed the fact that the TVA has been successful. It has been successful in extending its power lines to the farm homes of the valley, successful in furnishing required power for the economic and industrial growth of the valley, and successful in encouraging the rapid development of the resources of the Tennessee Valley. Then, too, I think it has been successful in stimulating the privately owned power companies to go out and likewise extend their lines and their services to practically every home and every business in the entire South. Also, I think the TVA has been successful because the privately owned power companies in extending themselves to do a good job thereby stimulated and inspired the TVA to do the best possible job of serving those dependent upon it for power. Likewise, we are told, and I have heard it from both the private power people and from the TVA people that TVA and the privately owned utility people of the area are living side by side, exchanging power and engineering know-how with each other, from time to time, in order for both to effectively serve

the customers they have. Just recently, in the hearings before the subcommittee, which brings this bill before the House, it was pointed out that TVA has successfully constructed power generating units in the TVA area to supply power for our atomic or hydrogen needs at Paducah, Ky., for a cost of \$145 per kilowatt of capacity, as TVA had estimated it could do some 2 years before. As a matter of fact, I understand that TVA not only constructed these plants for the amount it has estimated it could construct them for, but, actually, it constructed them for \$7 million less than it had estimated that it could do the job for. The TVA has been successful.

In the third place, I think it has been amply demonstrated that as large, and as successful as the TVA is, and has been, it is not now large enough to furnish its customers with the power they must have if the Tennessee Valley is to continue to grow and if the TVA is to continue to supply our atomic and hydrogen people with the power they need. All the records before us indicate that the power shortage in the Tennessee Valley will become acute by 1957. The TVA asked for \$83 million with which to go forward with constructing additional power generating facilities at New Johnsonville, at Fulton, at John Sevier, and at perhaps other points, that will be needed to meet this power shortage. I think it was unfortunate when the Bureau of the Budget, acting for the President, cut out that \$83 million, and I want to say to the Members of the House that on tomorrow, I will support the amendment to be offered by the gentleman from Alabama [Mr. ANDREWS] for the restoration of this \$83 million for this purpose. This is not a new problem. It was one that was called forcibly to our attention last year and now another year has passed, and the problem is further from solution than it was then. The sword of Damocles hangs more heavily over the head of the Tennessee Valley.

I believe, however, there is yet time for us to rectify the mistake we made last year when we failed to provide the necessary funds for building the additional generating units that are needed to furnish power to TVA customers in the valley. We can do that by adopting the Andrews amendment and giving the green light to TVA to go ahead with building the facilities it needs to supply its customers—farm, residential, business, commercial, industrial, and governmental.

Now, I want to turn to another serious aspect of this appropriation bill, and that is the fact that the bill before us cuts the President's recommendation of \$142 million for TVA for the next fiscal year down to \$103 million. And, what does that do? It does something that I hope that no thinking Member of this body would want to do. It virtually eliminates the working capital of TVA. I understand that TVA needs approximately \$40 million of working capital to carry on the power business which it operates. TVA will sell over \$200 million worth of power next year. It will sell another \$20 million worth of fertilizers

and chemicals next year. If we allow this figure of \$103 million to stand, we deprive TVA of working capital to the extent that by the end of fiscal 1955, TVA will have only \$3 million of working capital and I ask you, my friends, how can the largest power business on the face of the earth be operated with only \$3 million of working capital.

I have the privilege of representing an area that produces a lot of coal. The State of Alabama produces about 12 million tons of coal annually. About 5 million tons of that coal is produced in counties I represent, the counties of Walker, Marion, Winston, Cullman, Blount, and to a smaller extent the county of Fayette. Everybody knows about the depressed condition of the coal industry. Everybody knows that the only hope that the coal industry has to come back is through the steam generation of electric power. Now, the TVA has reached the point that it uses millions of tons of coal each year. In using coal, TVA, like any well-regulated power generating utility, must stock sufficient coal to do it for 60, 90, or 120 days ahead. It is advantageous to TVA to purchase the coal as it does from the lowest bidder, and it is advantageous for TVA to fill its stockpile with coal in the summer months when the price of coal is lower than it is in the winter and when there is greater need for the stimulation of work at the coal mines than at any other season of the year. Without working capital, TVA cannot buy coal for its stockpile. Without working capital, TVA cannot take advantage of the bargains that it may be able to get by buying coal during the hot summer season, and the same line of reason and logic would apply to the millions of dollars of other purchases it must make in other fields throughout the year.

I have been amused, I might say, and amazed likewise, at some of the expressions of love for TVA that have been made here this afternoon. Let us not be lulled into a false security by those protestations of love and affection, until we have determined who has stripped TVA of its operating capital and thus tied a millstone around its neck.

There is another point in the bill that is worthy of our most serious attention. That is the proviso which the committee wrote in, charging TVA interest on the money which the people of the United States have invested in the power-producing facilities of the Tennessee Valley. About \$1 billion is involved. It is an important amount. The arguments made are worthy of most serious and discriminating attention and consideration. We have been assured this afternoon by members of the subcommittee that heard the witnesses that TVA representatives have said that the charging of interest on the moneys invested in the power-producing facilities of the Tennessee Valley will not have the effect of raising rates on TVA power. When we look into the situation a little further, what do we find? We find, Mr. Chairman, that the United States of America and its people own the TVA bag and baggage. The Government of the United States is entitled to all the re-

turn which the TVA earns on its power sales and, that being true, I can see no justice or equity in reason or logic that would say to TVA instead of paying back into the Treasury next year, as I understand it plans to do, the sum of \$50 million as a dividend or a return to the United States Government, that it pay \$25 million of interest plus \$25 million dividend. If we saddle the TVA with interest as this committee would have us do, all in the world we do is denominate a part of the repayments to the Treasury which TVA regularly makes as interest, and, so far as I can see, it has no other effect. At least members of the subcommittee assure us that they have been assured that there will be no raise in rates.

The Government of the United States is entitled to all the profit which TVA makes in its power operation. So far as I am concerned, I see no reason to denominate a part of that profit as interest. It would certainly be different if the TVA belonged to some other entity, that is, if it were not a creature, a child, in effect, of this Government of ours. When we created TVA, we set up a Government corporation, and if we are not going to give that Government corporation the wherewithal to adequately carry on the operations that have been assigned to it, if we are going to cripple its ability to do a good job, then I say, in fairness to the people of the Tennessee Valley and in fairness to the people of the United States, the TVA should be sold—sold now when it will bring the largest amount of money that it will perhaps bring at any other time. If we allow the TVA to be shackled with the restrictive provisos which the committee has written into this bill, it will not be long until its value will have diminished to the point that the people of the United States will be left holding the bag.

The next aspect of this bill which I object to is that part of it which attempts to take away from TVA the right to regulate the resale of the power TVA distributes and generates. TVA's justification, in my mind at least, is largely based upon its value as a yardstick for power sales throughout America. It sells its power, not to individuals primarily, but instead to the rural electric coops scattered throughout its service area and to the municipalities in the area. The TVA agrees to supply power to these distributors at a certain price, and between TVA and the distributor it is agreed that the distributor will sell the power for a certain price. Now, if we adopt this committee's proviso that TVA's control over the resale rates of electric power is abolished, then we will find almost every municipality in the TVA service area responding to the pressures upon it, and computing an ever larger and larger sale rate on its power, so that money through that source can be had for the building of streets, sewers, parks, playgrounds, public buildings, and other things the city needs. The end result will be that power sold through these municipalities, power sold through these co-ops will soon be selling at a much higher rate than it is today, and when that day

comes, I submit to the House of Representatives that the value of the TVA as a yardstick will have been completely destroyed and no longer will there be a yardstick by which we measure the reasonable value of a kilowatt of electric power.

I certainly can see no need for this proviso which the Subcommittee on Independent Offices has written into the bill. Its only result will be to fasten another millstone around the neck of TVA.

It is admitted here that this Committee on Appropriations has no power or authority to legislate in this field. When it attempts to do so, it goes completely around the established committee of the House that has legislative jurisdiction over the subject matter. I am reminded of the old Latin phrase *res ipsa loquitur*. The thing speaks for itself. The attempt of the majority of this committee to legislate a noose around the neck of TVA speaks for itself. The destruction of TVA is in the restrictions upon its ability to operate that are contained in this bill.

Finally, Mr. Chairman, I want to call the attention of the House to the fact that this bill carries no appropriation for resource development, and limits corporate funds of the TVA which can be used for this purpose to \$600,000. Last year, we had a fight here in the House about this matter. We unduly crippled the resource development program of the TVA last year. The result is that next year, the small farmers and landowners in the TVA watershed area will not have the pine seedlings to plant on their eroded hills to prevent the type of erosion that damages the river and fills up and destroys the effectiveness of its dams across the river.

Already the Congress has crippled the resource development program. We not only cripple it in this bill, but we kill it for all practical purposes. The TVA has tied together the efforts in the Valley in the fields of prevention of soil erosion, the conservation of soil, water, and woodland. It has cooperated with the States and counties and local subdivisions in these fields. It has paid a part of the salaries of Assistant County Agents who have carried on this resource development work. I plead with the Congress that we do not destroy this work, but instead we give the local units of government—the States, the counties, the municipalities, the soil conservation districts and other local units—time to adjust in such a manner that they can continue the work which TVA has been doing. The TVA itself has been making real progress in this field. At first, the Resource Development moneys expended in the Valley were 76 percent Federal funds and 24 percent local funds. This Federal expenditure has gradually been reduced until now only 34 percent of the resource development funds are Federal funds and 66 percent are local funds. The amount spent by the localities are constantly growing, the amount spent by the Federal Government is constantly being diminished. Let us not break off that program in such a way as to result in great waste and interrupt the normal

resource development of that great valley. We have done the resource development program great injury. Let us not kill it as proposed in this bill.

Someone suggested, inadvertently, I hope, in the course of the debate that this government of ours was a bankrupt government. This government of ours is not bankrupt. It is great and strong, even in the face of the large national debt. It has assets throughout the Nation like the TVA which give it financial power and strength and keep it away from bankruptcy.

If you go forward to enact the restrictive provisions of this bill, this Nation of ours will be another great step toward bankruptcy because if you enact this bill, you will enact a law that will hamstring the TVA and cause it to lose its value to the American people. This valuable asset will waste away. Let us keep the TVA virile, and vibrant, and strong. It belongs to the American people and we owe the American people the trust to see that it is not negligently or carelessly or recklessly or wantonly destroyed.

Mr. ANDREWS. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, this power issue between the conflicting interests of TVA and the private-power companies dates back to the inception of TVA. I daresay if you study the two lines of arguments down through the years you will find it difficult to reconcile the different viewpoints or the different presentations of what the facts are. I, too, believe the TVA should be a sound investment for the Government. I believe it should have no unfair protection. Many issues in the problem have been settled through the years. Whether we should have provided the TVA is beside the point. It is. The TVA is the utility of its area today. It is the only utility of that region which manufactures and distributes power. It may buy power from others, but the people of the area can look only to the TVA for power.

It has been pointed out today with the ever-increasing commitments of the Federal Government to meet its atomic-energy requirements that the TVA does get power from other companies; but, be that as it may, the public in the Tennessee Valley can look only to TVA because it is the utility of that area. You either get your power there or you do not get it. This bill does not permit the TVA to enlarge its capacity to meet Government needs plus the needs of the area in the years ahead even until 1958.

In this age-old fight, or long-time fight, between the private companies and TVA, there are 2 or 3 things that you can easily see that the private companies as competitors would like to remove from their business. One is the yardstick value of having the TVA generate power so that you can see what it costs. One way to get rid of the yardstick would be to sell the TVA. Now, with the Atomic Energy Commission's need and with the necessity for meeting the many problems that we have in this country—with all those things—in view of the fact that the Nation begins to

realize—many folks do—the value of the yardstick provisions of the Tennessee Valley Authority, it is not politically expedient at the moment for the administration to sell the TVA. The President in a speech down in Tennessee clearly told the people that he would not be a party to the sale or dismemberment of the TVA.

But there are lots of ways you can skin a cat. You will note this committee does not simply require the TVA to reflect interest returns in its rates. The TVA does that. The committee goes further than that. The Tennessee Valley is a Government corporation. We set it up as a corporation so that as a corporation it could meet its problems as any other utility or business would need to do. There are several things that are required in order for it to keep the present elasticity and ability to meet the business problems that it faces. One is a sufficient operating capital on hand to take advantage of buying coal and many other things at a time when they can be had at reasonable prices. They need to have money on hand with which to meet problems that arise. And if, because of politics or because of commitments of the President or for any reason you cannot afford to sell the TVA or to offer it for sale, the way to strangle the TVA is to draw strings around its growth to meet all needs of the region and to see to it that in one way or the other the retail rates paid by the people in the area, notwithstanding the economical operations of TVA, get up on a level of private companies with higher rates. Then you have nothing to compare with the private power rates. I may say that in spite of the good intentions and the honorable character of the men of this subcommittee, the provisions in this bill do just that. They lead toward get rid of the TVA.

Now, what would the committee action do? They say to the TVA that to meet your needs in the valley, take your money out of the cash till and substantially meet your capital investment. Then the committee would hold \$38 million that the budget said the TVA needs to operate. The committee would withhold that.

Then they say, not only that, but from from here on in addition to returning the money that you have been returning to the Treasury, notwithstanding that you have to take this money out of your till to meet these ever-increasing needs to the extent of \$38 million, you are going to have to return annually another \$20 million out of your operating capital.

Then in case that does not push you into the position of having to raise your rates so as to remove the yardstick benefits, we are going to take the bridle off and let the retailer, the cities, charge whatever they may desire at the retail level. If what we have done does not result in increasing the rates so that you will not be showing a lower figure in comparison with the private companies rates, we are going to take the bridle off of the distributors and let them finance anything under the sun out of power distribution profits. In doing that the committee, in my opinion, has done something it did not even intend to do.

The CHAIRMAN. The time of the gentleman from Mississippi has expired. Mr. ANDREWS. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. WHITTEN. Mr. Chairman, did you know that with all the feeling in the country about the movement of industry to the South, by far the greater part of it is to regions other than the TVA area? Under this bill, as written, when you take the bridle off of the municipalities and other distributors and let them finance their cities, there is nothing left to keep such cities from giving industrial electricity for nothing, and really moving industry south and getting their money out of the domestic consumers. When you remove the TVA's right to control retail rates, not only do you open it wide, but you make possible to really move industry south. I don't believe the TVA has been any major factor in the movement of industry. I know that in my area the private companies are doing a better job of moving industries into the area than TVA. But, I say, when you prohibit the TVA from controlling rates by the distributor, you invite the municipalities to reduce industrial rates down to the floor, if they see fit, and thereby they can really move some northern industries into the TVA region. Now, that was not intended, but that bridle is taken off by the committee, just in case, pulling the cash out of the operating capital of this corporation and making them spend money out of the operating capital to meet the ever-growing demands on the part of the Government. Rates are not raised. The cities are invited to raise them. The cities did not ask for it. The record stands silent as to anybody wanting that provision, but the committee just very voluntarily pushed that out there apparently to keep TVA from meddling. If we followed the committee, any city would have the right to finance any program under the sun in such municipality out of their profits. Apparently, some one believes few cities could withstand that temptation and the retail rates would then go up.

I would like to present in detail just what the provisions in this bill provide as well as the effect. Let us see what the records show.

1. REDUCTION IN TVA CASH RESERVES

The bill as reported by the committee would reduce the appropriation for TVA by \$38,218,000. Of this reduction \$600,000 represents a cut in the resource development program, the remaining \$37,618,000 is expected to be made up by the use of corporate funds.

The corporate fund balance from which this amount is to be made up will, on the basis of the revenue and expenditure estimates in the 1955 budget, total \$46,817,712, of which \$39,920,712 represents power proceeds, \$5,897,000 represents proceeds from other programs, and \$1 million represents the emergency fund provided by section 26 of the TVA act. Of the total corporate funds to be used in lieu of appropriations \$37 million would come out of power proceeds, thus reducing the year-end balance of power funds to only \$3 million.

The TVA 1955 budget estimate contemplates that the entire power proceeds balance of approximately \$40 million would be reserved for possible contingencies which may arise in connection with the TVA power program. This amount is not large for the world's largest power system, an operation with a capital investment of over a billion dollars, whose gross revenues for the 2 fiscal years 1954 and 1955 are expected to be about \$335 million and whose corporate-financed direct expenditures are estimated to be upward of \$260 million. Moreover, there is no assurance that the estimated balance of \$40 million will actually be at hand on June 30, 1955, because of variables in both revenues and expenses that greatly affect the cash balance. Some of the same contingencies that must be considered in judging whether a given balance at the end of the year would be adequate might sharply reduce that balance before the year was over.

Without adequate working capital, no business could long operate profitably. Normal business operations require fast adjustments to frequent changes in operating conditions, cash must be in hand to meet contingencies and to grasp opportunities. The world's largest automobile manufacturer maintains liquid assets ranging up to \$312 million, or 8 percent of its total assets. The world's largest steel company has had liquid assets of \$322 million or 11 percent of total assets, and the world's largest chemical company has had liquid assets of \$266 million or 15 percent of total assets. In the electric utility field, the Detroit Edison Co. has found it desirable to have liquid assets of about 9 percent of its total assets, the Arkansas Power & Light Co.'s liquid assets have exceeded 8 percent of total assets, and up to 10 percent of the assets of the Cleveland Electric Illuminating Co. have been in liquid form.

By contrast, the action of the House committee could limit the working cash of the TVA power program to only \$3 million, much less than one-half of 1 percent of total power assets. This amount is far below what is needed to assure continued efficient and economical operation. In addition to the cash resources needed to meet payrolls and other expenses prior to receipt of payments for outstanding bills for power service, increases in the cost of labor, materials, and equipment which might occur in this 2-year period would have to be met from the reserve fund; an increase of only 5 percent in such costs could increase the corporate fund requirements in the 2 years by over \$10 million. A still larger factor than either of the foregoing is the necessity for having an adequate balance to meet the added corporate fund requirements which would result from increased expenses and decreased revenues if adverse weather conditions occur during the 2-year period. In the preparation of budget estimates of expense and income for the Tennessee Valley Authority's power operations, average streamflows are assumed. In the 20 years of TVA's power operations there have been

12 years when the rainfall was less than average. The consecutive 2-year period of subnormal rainfall which occurred in fiscal years 1940 and 1941 resulted in deficiencies of 13 inches and 14 inches, respectively, or a total of 27 inches. If the conditions which obtained in 1940 and 1941 should recur in the 2-year period of fiscal years 1954 and 1955, the corporate fund requirements for the latter 2 years would exceed the budget estimates by at least \$25 million.

The expansion of TVA steam power generating capacity to take care of the greatly increased power demands of the atomic energy program, and other loads, creates large new needs for corporate funds to buy coal. Coal stockpiles will inevitably vary, and rebuilding coal storage when stockpiles have been reduced may require many millions of dollars. Average coal stockpiles for the power industry as a whole have varied from nearly 60 days' supply to about 150 days' supply in recent years.

Obviously the stockpiles of individual systems have varied more widely. It may be desirable to add rapidly to a coal stockpile because it has been reduced by strikes or other emergency curtailment of coal production or transportation service. Or it may be desirable to add rapidly to the stockpile to take advantage of especially favorable market conditions. Under such circumstances, the availability of cash to increase coal purchases not only saves money for the Government, as the owner of the TVA power system, but helps provide employment during periods when coal production for other markets has slackened. By next year TVA will be burning so much coal that an increase of 60 days' supply, for example, in TVA's coal stockpiles would require a cash outlay of \$12 to \$15 million.

2. INTEREST

The bill requires TVA each year to pay interest upon the investment in the TVA power system derived from appropriations, including construction in progress, or from transfers of property by other agencies. The interest rate is to be the Government's average interest cost on the public debt. The interest requirement is to be superimposed upon the existing requirements under the Government Corporations Appropriation Act, 1948, for the amortization of the appropriation financed investment in power facilities. This requirement is wrong in principle, subversive of good management and sound business, and deprives consumers in the Tennessee Valley area of the assurance of adequate electric service.

Even though referred to as a requirement for payment of interest, actually the payments would be in the nature of dividends. TVA is wholly owned by the Federal Government, all of its earnings belong to the United States, and any payments—other than for the return of capital, for which provision is already made in the 1948 act—are really dividends, whatever they may be called. Charging interest might be appropriate if the owner of TVA was content with the role of creditor and exercised none of the prerogatives of ownership. But TVA is under continuous congressional supervi-

sion, and congressional control is frequently exercised in ways having substantial effect upon costs.

In any well-managed organization, dividends are paid when earnings are available in excess of those required for the successful and profitable operation of the enterprise including such working capital and contingency reserves as prudent operation of the particular business requires. The effect of the bill, therefore, is not merely to attempt to legislate a level of profits but also to require those profits to be paid each year irrespective of fluctuations in business conditions, earnings, or of the requirements for the operation of the business.

TVA, like any electric utility company, has a public service obligation which should transcend every other consideration. The continuous availability of an adequate supply of power is essential in our modern economy. Five million people in the TVA area are wholly dependent upon TVA as the source of their power supply. This public service obligation requires large outlays for transmission and substation facilities quite aside from the requirements for generating units which are financed entirely from appropriations. Such outlays should be a first charge upon net revenues.

Paradoxically, the proposal for imposition of a minimum dividend requirement comes at a time when no funds are provided for new starts on electric generating capacity. As a result, TVA would be required in future years to make greater use of its higher cost steam plants than would otherwise be the case with a resultant adverse effect on profits.

It may be noted that the so-called interest requirement stipulates a formula for determining the applicable rate of interest which goes beyond the announced purpose "to repay the taxpayers of the country the amount the taxpayers must pay in interest on the money to finance the TVA power program." The standard is to be the interest cost on the public debt which includes nonmarketable issues, the interest rates on which are entirely arbitrary. For example, the public debt includes the bonds held in the Civil Service Retirement Fund, where interest payments are only a bookkeeping transaction and the specified interest rate—about 4 percent—is dictated by the Government's employee retirement policy rather than by the cost of borrowing money on the open market. The cost of money on the marketable securities of the Treasury, which represents the true cost of borrow money, is substantially lower than the rate that would be arrived at under the committee's recommendation.

3. RESALE RATES

The power supply contract under which TVA sells and locally owned distribution systems buy electric power includes an agreement by the distributor as to the rates which the distributor will charge in reselling the power to the ultimate consumer. This provision is included in the TVA contract in order to carry out the stated objective of the TVA Act that the benefits of the Federal investment in TVA's power system shall be

spread as widely as possible in the area in which TVA operates. Section 11 directs that TVA projects "be considered primarily as for the benefit of the people of the section as a whole and particularly the domestic and rural consumers to whom the power can economically be made available," and that sales to industry be a secondary purpose. Section 10 of the act specifically provides for the inclusion of resale rate schedules in power contracts. The effect of the proposal of the Appropriations Committee is both to amend the act and to defeat its purpose.

The committee report, in the single sentence devoted to this matter, says merely that the committee "does not believe it is good policy for the TVA to interfere in the business of municipalities and local units of government." This assumes that the Federal Government has no interest in the level of rates charged the ultimate consumer for power produced at Government projects. It implies also that the people of the area regard resale rate agreements as interference. Neither of these implications is sound.

The broad purpose of the TVA power program is to promote the prosperity of the Tennessee Valley region. Without such a contract provision the benefits of the Federal investment in the TVA dams and steam plants might never reach the people or help to build a stronger and more prosperous economy.

Without such agreements each local community would be subjected to great pressures both to divert the benefits of the TVA power program to some limited group or interests and to compete with every other community in the region and elsewhere for industrial customers by making discriminatory rate concessions either to industries as a class or to specific industrial customers. Such concessions would be at the expense of small consumers, householders, farmers, and small-business men. If even a few of the 148 distributors should be forced to yield to such pressures, the others would be under almost irresistible compulsion to do the same.

Every State in which TVA sells large amounts of power has adopted legislation specifically authorizing municipalities, cooperatives, or both, to enter into contracts containing resale rate schedules. The establishment of the prevailing rates to consumers by an agreement with TVA is a part of the public policy of the valley States. The distributors and consumers of TVA power far from regarding such rate schedules as an interference consider it a necessary and stabilizing feature of the power supply arrangements of the Tennessee Valley area.

The power consumers of the whole country have a stake in the committee's proposal. The resale rate schedules have established a national pattern for increased consumption, higher load factors, and lower unit costs of generation and distribution. It is the universal opinion that the force of the example in the Tennessee Valley area has stimulated the utilities to increase their load-building activities and to reduce their unit costs, with the result that electric

rates in the Nation have not followed the inflationary spiral to nearly the same extent as other commodity prices, while at the same time electric company profits have been maintained and increased. The destruction of the TVA example would invite the electric utilities to abandon the progressive principles of operation which they are now beginning to put into practice.

Adoption of this proposal would deal a great blow to the small consumer of the Tennessee Valley area. He has been encouraged to increase his use of electricity to twice the national average because of his faith in the stability of the electric rate structure in the area. If Congress should set aside the resale rate provisions, there would be an immediate impact upon his willingness to purchase new appliances as well as his willingness or ability to continue to use those which he has already purchased.

In the face of the general satisfaction in the area with the prevailing method of establishing resale rates and the regional and national interest in preserving such rates, it is difficult to see any valid reason for the committee's prohibition with respect to resale rate schedules, and the committee report suggests none.

4. RESOURCE DEVELOPMENT

The committee would deny any appropriated funds for resource development and place a ceiling of \$600,000 on corporate funds used for resource development. Last year the committee recommended complete elimination of this program. At that time TVA said:

While this reduction in money represents only about 1 percent of the total amount approved, the action of the House, if sustained by the Senate, would destroy TVA's effectiveness as a regional development agency. * * * The activities eliminated by the action of the House establish an essential link between river-control operations and the institutions and people of the Tennessee Valley—between engineering works and the people for whose use such works are built. * * * The methods by which these activities are carried on encourage State and local institutions to accept increasing responsibility for comprehensive work in regional development. * * * We are convinced that this furtherance of State and local activity in the resource development field is the key to lasting accomplishment in regional development.

Our conviction as to the worth of this program and its contribution to the effective development of the Tennessee Valley's resources has not changed.

This is not a new program, its methods have been thoroughly tested, and they have been productive in the past. Nor is it an expanding activity, it is the remainder of a program which required about \$4 million of funds as late as 1947. Expenditure in the program since 1947 consistently have declined as State and local agencies have gained strength. But the timing of Federal assistance is critical, and a ceiling of \$600,000 will for all practical purposes cause the disappearance of this program as an effective instrument in the region. It will force the premature abandonment of partly completed experiments which are important not only to the region but for the Nation.

The repudiation by the House committee of TVA's resource-development program contradicts national policies which are receiving increasing endorsement and acceptance. It will set backward the development of adequate State and local resource programs in the region, it will terminate a small watershed program of great promise, and it will destroy the only Federal forestry program which emphasizes the potentialities of private ownership, rather than Federal ownership, of forest land. As examples of TVA resource development, we believe that both the watershed program and forestry activities are worthy of the committee's reconsideration.

It is not the time to abandon the only well-established experiments and demonstrations in tributary-watershed development in a region where farm income, erosion control, and rural population are still serious problems, during a year when a State has first indicated that it will start such a program. Only 2 months ago the governor of one of the valley States wrote TVA:

We are now prepared to assume a leading part in the rendering of technical and professional advice and assistance to local groups in such localized (watershed programs). * * * We will necessarily need to continue to look to TVA for substantial assistance in making such a program a success.

So far as is known, this is the first time in the Nation that a State government has undertaken to set up its own watershed program; its initiative should be encouraged.

It makes no sense to abandon the TVA forestry program at this time. In a region in which 82 percent of the forest lands are privately owned, where useful forest growth could be trebled, at a time when large-scale wood-using industry is experimenting with plant location in the valley, activities directed toward reforestation, forest protection, and better forest management are of critical importance. As a Federal program directed exclusively toward assisting improvement of privately owned lands, which does not depend on Federal ownership, TVA's record is well known. To capitalize on past efforts this program must be allowed to run its course rather than being brought now to an untimely end.

(Mr. METCALF asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. METCALF. Mr. Chairman, the natural gas industry is one of this Nation's major industries affecting the daily lives of millions of our citizens. In 1952 there were about 21½ million domestic and commercial customers of companies distributing straight natural gas or mixed gas, of which natural gas is a component. Including the members of households, this means that upwards of 60 million people will be affected by any material change in the prices charged for natural gas.

The Natural Gas Act was passed in 1938. Its primary purpose was rate regulation. In the Hope Natural Gas Co. case—320th United States Code, section 591—the Supreme Court of the United

States said the "primary aim of this legislation was to protect consumers against exploitation at the hands of natural gas companies."

The act was intended to regulate the sales which were outside the jurisdiction of the States. It did not change State responsibility for regulating intrastate transactions and consumer sales in interstate commerce where such sales were considered local in character.

The Commission said in 1949:

No one recognized better that the act was passed to fill the regulatory gap which could not be occupied by local commissions than the local authorities themselves, State and municipal.

It recalls that practically all of the early natural gas rate cases instituted by the Commission were upon the complaint of State or city authorities—among them Cleveland and Akron, Ohio; the Pennsylvania Public Utility Commission; the Illinois Commerce Commission; city and county of Denver; Public Service Commission of Wyoming; Public Service Commission of Missouri and the Public Service Commission of Louisiana.

In harmony with the purposes of the act the Commission concentrated for several years on natural gas rate cases. As a result of its investigations the Commission obtained annual reductions of more than \$37 million.

In addition, voluntary reductions have amounted to about \$4 million annually. On an accumulated basis, these reductions would actually save consumers about \$1 billion. In some cases rates were reduced from one-third to one-half of their former level.

The best definition of the present natural gas rate base was read into a Senate committee hearing record in 1948 by Mr. Leland Olds, a member and former Chairman of the Federal Power Commission. He said:

The Federal Power Commission in determining just and reasonable rates for the sale of natural gas in interstate commerce, employs what is known as the prudent investment (net investment) rate base. Its aim is to allow a reasonable return on the investment in the enterprise to the extent such investment is used in connection with interstate transactions. The return is allowed, among other things, on acreage currently used as well as that held for future development. In addition to the fair return, all operating expenses and the cost of exploration and development (cost of abandoned leases, dry holes, et cetera) are allowed as charges to rate payers. In this manner, the risks of the business are minimized and natural-gas companies reasonably assured of fair profits on their investment. This method of rate regulation has worked well in practice for, whereas annual rate reductions of approximately \$39 million have been ordered or approved by the Commission since 1938, the companies making the reductions have prospered and are in sound financial condition.

In other words, rates have been based upon the cost of rendering service to the public—the cost including taxes and a fair return on the prudent investment of the pipeline company in its facilities. These ratemaking practices have been upheld by the Supreme Court in all cases reaching that tribunal.

The FPC has consistently allowed interstate pipeline companies all their costs

of operation. Such costs have included all exploration and development expenses, cost of holding nonproductive acreage as well as a fair return on the investment in acreage held for the future. This latter is justified on the grounds that such acreage would in the future furnish gas to consumers. The Commission has encouraged the exploration for gas and the acquisition and development of gas reserves by allowing all costs of exploration, including dry holes, as an operating expense.

Through their rates, the consumers have paid the costs, development expense, the cost of carrying acreage for future development, the taxes, the profit.

The position of the interstate pipeline companies is enhanced further by their assured market over the life of their gas reserves. They occupy a monopoly position in that market by reason of a Federal franchise. Regulation of utility monopolies is necessary in the public interest. In return for monopoly privileges, utilities are—or have been up to this administration—required to forego speculative profits.

With billions at stake, the pipeline companies want to get rid of the cost rate base. They want to end regulation. One of the ways in which they propose to do away with regulation is to base their rates upon what they euphemistically call the fair field price of natural gas.

I would define the "fair field price" as the highest monopoly price the traffic will bear.

Spokesmen for the pipeline companies agree with the substance of that definition.

During the Federal Power Commission's natural gas investigation of 1944-46, several attempts were made to nail down what these people considered a fair field price or the intrinsic value of the gas.

One witness, who advocated a change from the cost rate base, said he could not testify as to whether any given price for gas was too low or too high. However, he did say that "if I had gas I would want all I could get for it."

Another witness was R. C. Kay, president of the Panhandle Producers & Royalty Owners Association, vice president of Texas Midcontinent Oil & Gas Association, and a director of the Independent Petroleum Association.

Asked what he would consider an adequate price for gas, he replied:

I am just like any other land or royalty owner. Every increase in the price I receive would be considered an adequate price as of that date. But we would still be looking for a higher price. As far as the closest we can say to a fair price we might say is the highest price currently being paid in the field for gas of like quality.

Another witness was Mr. E. L. DeGolyer, geologist and petroleum engineer. When asked if he had any opinion on what would be an adequate field price for gas in Texas, he replied:

When you say how much, I don't really know. I suppose if I were getting 2 cents I would look upon 4 cents as something highly to be desired, and, I suspect, human nature being what it is, if I were getting 4 cents I would be looking for 8 cents or even 10 cents.

Asked if he would go beyond 10 cents, and remember this was almost 10 years ago, he replied:

Well, there are still the Appalachian fields which hang up the goal of 20, 22, and 33 for us.

During his testimony, Mr. DeGolyer used the phrase "the wellhead price which it merits." He was asked to explain those words. He did it this way:

I thought I had gone out of my way to try to define some of these terms which I thought were pretty vague, and you seem to have put your finger on one which is vaguer still, and which I find hard to define.

So we come down to the nut of this question: Is it possible to base regulation of interstate wholesale rates, affecting the cost of gas to millions of homes, places of business and manufacturing plants on any such fair field price theory and have regulation mean anything?

As was noted in the Olds-Draper report on this investigation, here we have perhaps the leading petroleum engineer of the country placing the full weight of his reputation back of the industry's fair-field price formula and "then admitting that what they are urging is simply the vague yet vigorous appetite of the typical oilman for higher prices and profits."

In other words, the fair field price is the highest monopoly price the traffic will bear.

Now we know the fair field price for what it is. What would it do?

Less than 10 years ago pipeline companies were paying from 4 to 5 cents per 1,000 cubic feet of gas.

Barron's magazine had this to say in an article on the United Gas Corp. last October:

The average price which United Gas pays for purchased gas has risen sharply in the

last few years, moving from 4.51 cents per thousand cubic feet in 1949 to 7.92 cents last year, a gain of 76 percent.

United, I believe, controls the largest gas reserves of any company. So it is in a favorable position to make purchases. For this reason, its latest average is apparently somewhat below the present industrywide level. Big pipelines like Tennessee Gas Transmission and Transcontinental are paying on the average about 9 cents, while Michigan-Wisconsin is paying more.

Mr. DeGolyer was not so far off almost 10 years ago when he spoke of gas prices of 20 cents and more.

During the recent hearings before the Independent Offices Subcommittee of the House Committee on Appropriations, we had this exchange between the gentleman from Illinois [Mr. YATES] and Mr. Charles W. Smith, chief of the FPC Bureau of Accounts, Finance, and Rates:

Mr. YATES. Has the cost of natural gas gone up in the field? In this area where the Phillips decision says you are supposed to take control, as I remember the debates on the Kerr bill, the cost of natural gas at that time I think varied between 5 and 7 cents. Is my memory correct on that?

Mr. SMITH. That is correct.

Mr. YATES. They had long-term contracts at that time?

Mr. SMITH. Yes; and a great many contracts were recently renegotiated at higher prices.

Mr. YATES. What are the prices they are getting now?

Mr. SMITH. The prices go up as high as 16 to 20 cents. The average is much lower than that, of course; but the Gulf Interstate Co., which has a certificate to transport gas for the United Fuel Gas Co., the gas is purchased under a contract that sets up a price of 16 to 24 cents, the average being pretty close to 20 cents. That is the highest price we know of in that particular area, but there have been steady increases in the price of natural gas.

So, where we had 4- to 5-cent gas less than 10 years ago, and 8-cent gas in 1952, we are talking today about 24-cent gas. We are talking about an increase of 19 cents per thousand cubic feet, an increase which the consumer will pay.

The question then becomes, how much more will the consumer pay because of this increase over the life of our gas fields? It was estimated during the the FPC investigation that a 5-cent increase would mean a total of \$5 billion, a 10-cent increase \$10 billion—or \$1 billion out of consumers' pocketbooks for every penny the price rose. I think the figure was on the conservative side then. It is more so now because of the great expansion in the industry in the past few years. In 1945, sales of natural and mixed gas by gas utilities was about 2½ trillion cubic feet. In 1952 it was 5 trillion, or more than double the 1945 figure.

A 19-cent increase, then, would total \$19 billion—or \$760 million a year, figuring the life of a gas field at 25 years.

If natural gas consumers are going to be shaken down for another \$760 million a year, who is going to get the money? The giants of the natural gas fields.

The FPC named some of these giants during its investigation. Two gas fields were used as examples because their figures were readily available. They were Texas Panhandle and Hugoton. Part of the report was a table showing the natural gas acreage in these fields owned in fee or held through leasehold by certain companies which controlled considerable blocks of gas reserves. It also showed the total acreage of the fields and the extent to which control of the fields was in the hands of these large holders.

Natural gas acreage in the Texas Panhandle and Hugoton gas fields owned in fee or held through leasehold by certain companies, together with estimated reserves and possible values

	Panhandle field (acres)	Hugoton field (acres)	Total (acres) ¹	Possible reserves at 7,500 thousand cubic feet per acre (MMcf)	Value at 5 cents per thousand cubic feet	Value at 10 cents per thousand cubic feet
Pipe line companies:						
Canadian River Gas Co.....	262,883		262,883	1,971,000	\$98,500,000	\$197,100,000
Cities Service Gas Co.....	104,921	201,601	306,522	2,299,000	114,950,000	229,900,000
Consolidated Gas Utilities Corp.....	17,551		17,551	132,000	6,600,000	13,200,000
El Paso Natural Gas Co.....		² 34,800	34,800	261,000	13,550,000	26,100,000
Kansas-Colorado Utilities Co.....		6,693	6,693	50,000	2,500,000	5,000,000
Kansas-Nebraska Natural Gas Co.....		8,080	8,080	61,000	3,050,000	6,100,000
Northern Natural Gas Co.....	16,005	188,917	204,922	1,537,000	76,850,000	153,700,000
Panhandle Eastern Pipe Line Co.....	40,269	401,301	441,570	3,312,000	165,600,000	331,200,000
Texoma Natural Gas Co.....	140,118		140,118	1,050,000	52,500,000	105,000,000
Total for group.....	581,747	841,392	1,423,139	10,673,000	533,650,000	1,067,300,000
Other companies:						
Cabot Carbon Co.....		17,920	17,920	134,000	6,700,000	13,400,000
Cities Service Oil Co.....		33,900	33,900	254,000	12,700,000	25,400,000
Columbian Fuel Corp.....		55,633	55,633	417,000	20,850,000	41,700,000
Fin-Ker Oil & Gas Production Co.....		48,200	48,200	362,000	18,100,000	36,200,000
Hagy, Harrington & Marsh.....	32,990	149,848	182,838	1,371,000	68,550,000	137,100,000
Kansas Natural Gas, Inc.....		14,980	14,980	112,000	5,600,000	11,200,000
Magnolia Petroleum Co.....		118,480	118,480	889,000	44,450,000	88,900,000
Peerless Oil & Gas Co.....		116,000	116,000	870,000	43,500,000	87,000,000
Phillips Petroleum Co.....	285,000	620,880	905,880	6,794,000	339,700,000	679,400,000
Republic Natural Gas Co.....		220,501	220,501	1,654,000	82,700,000	165,400,000
Shamrock Oil & Gas Corp.....	220,000	1,700	221,700	1,664,000	83,200,000	166,400,000
Sinclair Prairie Oil Co.....		19,000	19,000	142,000	7,100,000	14,200,000
Skelly Oil Co.....		171,520	171,520	1,285,000	64,300,000	128,500,000
Stanolind Oil & Gas Co.....		600,000	600,000	4,500,000	225,000,000	450,000,000
United Producing Co.....		90,920	90,920	682,000	34,100,000	68,200,000
White Eagle Oil Co.....		70,000	70,000	525,000	26,250,000	52,500,000
Total for group.....	537,990	2,349,482	2,887,472	21,656,000	1,082,800,000	2,165,600,000
Total acreage listed.....	1,119,737	3,190,874	4,310,611	32,320,000	1,616,450,000	3,232,900,000
Holdings by others.....	280,263	1,009,126	1,289,389	9,671,000	483,550,000	967,100,000
Total acreage of field.....	1,400,000	4,200,000	5,600,000	42,000,000	2,100,000,000	4,200,000,000
Percent of listed acreage to total.....	80	75	77			

¹ Data on acreage are from testimony in this record and from Commission files and records.

² Held by affiliates.

In their April 28, 1948, report to the Senate and House, Commissioner Olds and Claude L. Draper summarized this control in these words:

1. Phillips Petroleum Co. is the largest holder of natural-gas acreage in each of the fields, with 20 percent of the Panhandle field total and 15 percent of that in the Hugoton field. It holds nearly one-sixth of the combined gas acreage in the two fields.

2. Stanolind Oil & Gas Co., a subsidiary of Standard Oil Co. of Indiana, comes second in the Hugoton field with 14 percent of the acreage, and Panhandle Eastern Pipe Line Co. third with just under 10 percent.

3. Three companies (Phillips Petroleum, Shamrock Oil & Gas Corp., and Canadian River Gas Co.) control more than half of the Panhandle field and, adding Texoma Natural Gas Co. and Cities Service Gas Co., we find five companies controlling nearly three-quarters of the acreage.

4. Seven companies (Phillips Petroleum, Stanolind, Panhandle Eastern, Republic, Cities Service, Northern Natural, and Skelly Oil Co.) control considerably more than half of the total Hugoton field, and, with the addition of 3 others, we have 10 companies in control of approximately two-thirds of the enormous acreage in that field.

5. Considering the combined acreage of the 2 fields, we find well over three-fifths of the acreage controlled by 10 companies (Phillips Petroleum, Stanolind, Cities Service, Canadian River, Shamrock Oil, Republic, Northern Natural, Hagy, Harrington & March, and Skelly Oil).

It should be borne in mind that this analysis does not include acreage which some of these companies may control under long-term contracts, being limited to ownership of fee or leasehold.

The table has been extended to show what increasing field prices will mean to the owners of these very large acreages. This extension also gives some idea of what such increases will cost the gas-consuming areas over the life of the reserves. The extension of the table is based on the arbitrary assumption that the reserves are distributed throughout the acreage at about 7,500,000 cubic feet per acre which produces total reserves closely approximating those presently estimated for the 2 fields. The probability is that these larger owners have taken up the better acreage so that the figures, if anything, probably underestimate the advantages which will flow to them.

On this basis, the figures show that an increase of 5 cents per thousand cubic feet would add \$2,100,000,000 to the potential income from the fields over their life. Of this total, \$1,616,450,000 would go to the dominant interests listed in the table.

Similarly, an increase of 10 cents per thousand cubic feet would provide additional revenue over the life of the 2 fields totaling \$4,200,000,000, of which \$3,232,900,000 would go to the group of 25 large holders shown in the table. These amounts are without adjustment for income taxes. For the pipeline companies alone this would mean an increased take over the life of the fields of more than \$1 billion. Small wonder that they have done their best to mobilize royalty owners, small producers, and representatives of the producing States in favor of a change in the Federal Power Commission's regulatory practice which will enable them to gather in such a rich reward for having bought gas reserves and leases at distress prices from people who otherwise had no outlet for the gas.

To the Phillips Petroleum Co. alone a 5-cent increase would mean ultimately about \$390 million and a 10-cent increase \$780 million. To Stanolind the corresponding gains would be \$225 million and \$450 million;

to Panhandle Eastern \$165 million and \$330 million.

Assuming that the fields will sustain production for 25 years, the group of 25 big holders of the acreage could count on an additional \$60 million a year, with a 5-cent increase and \$120 million a year with a 10-cent increase, and this does not include figures for the much larger reserves in the gulf coast area of Louisiana and Texas, in which such corporations as Standard Oil of New Jersey's Humble Oil, Electric Bond & Share's United Gas Co., and the Chicago corporation have annexed great blocks of natural-gas acreage.

As far as I can determine, the present Commission does not share the former Commission's feelings about natural-gas rates. The present Commission has been busy granting rate increases as fast as it can handle them. Barron's magazine said last November 16:

Another significant development during the third quarter of 1953 was the breakup of the log jam of rate increases pending before the Commission, which at one time exceeded \$200 million. In a recent speech FPC Chairman Kuykendall noted that the Commission as of October 19 had 51 rate cases still pending.

One significant feature of the settlement of recent rate cases has been the evolution of the conference method of reaching an agreement, rather than long, drawn-out formal hearings. The negotiation, or conference method was successfully used in recent rate cases involving Texas Eastern Gas Transmission, which received two rate increases amounting to \$30.8 million; Tennessee Gas Transmission for \$77.9 million; and Texas Gas Transmission for \$10.5 million.

This brings me to the Phillips Petroleum case and the following section from a Public Affairs Institute report:

The case arose out of petitions by the cities of Detroit and Milwaukee, the county of Wayne, Mich., and the State of Wisconsin for an investigation by the Federal Power Commission of the reasonableness of rates at which Phillips Petroleum was delivering gas to Michigan-Wisconsin Pipeline Co. for resale to distributing companies in Michigan and Wisconsin. The Commission, as a preliminary, undertook an investigation to determine whether it had jurisdiction to regulate these rates.

The case was undertaken at the time when, following the United States Supreme Court decision in the Interstate Natural Gas Co. case, the natural-gas industry was moving to amend the Natural Gas Act to exclude such sales from Federal Power Commission regulation. The Commission, in 1951, with Chairman Buchanan dissenting, decided, after continued attempts to amend the act had failed, that Phillips Petroleum sales were a part of, or incidental to, its production and gathering of gas and, therefore, not subject to its regulatory jurisdiction.

The Commission's decision was appealed by the representatives of the consuming areas and was reversed by the Circuit Court of Appeals for the District of Columbia. The United States Supreme Court first refused to grant a writ of certiorari but has since reversed itself and agreed to hear argument in the matter. This will lead to a final decision as to whether, under the Natural Gas Act, sales of natural gas to interstate pipelines by Phillips Petroleum and other independent producers are subject to Federal Power Commission regulation.

The Supreme Court's initial refusal to hear further argument in the case, thereby affirming the decision of the lower court, was reported to have placed the majority of the

Commission in a dilemma from which the Court's January 18 change of mind has accorded them at least temporary relief. According to the Wall Street Journal of January 19, 1954:

"The Supreme Court's decision to grant a rehearing of the Phillips case brought a feeling of relief not only to the company and the natural-gas industry generally, but also to the Federal Power Commission. The FPC has been arguing all along that Phillips' sales should be regulated by the States, not the Federal Government, and it had been reluctantly preparing to take over a big new regulation job."

"This is a lifesaver for us," one high FPC official said of the Court's rehearing announcement. "The appeals court's ruling was a horrible decision because it didn't give us any guideposts. Now we can hope for a ruling that'll give us some ground rules in the event we still end up regulating these sales."

"Successful conferences" and "lifesaver" announcements by the Supreme Court of the United States are words that should be put down alongside those by Senator DOUGLAS, of Illinois. He told the other body on March 12 that it would be hard to tell whether the demise of the FPC's gas-regulatory power was a case of murder or suicide.

Any change from a cost to a fair field price base would make regulation of natural-gas rates by the FPC an expensive fraud. It would be expensive for all taxpayers—note that the Commission is asking \$1,680,000 for regulation and surveys, natural-gas industry, this coming fiscal year. It would be expensive for natural-gas consumers—part of the money they pay for natural gas would be used by the pipeline companies to join in a little ritual before the FPC. It would be a fraud because there would be no regulation of rates if they were based on the fair field price, the highest monopoly price the traffic will bear.

Far better we should discontinue the pretense that the FPC is regulating natural-gas rates. The consumer then would not be suffering the delusion that he is being protected against exploitation at the hands of natural-gas companies. Nor would we be calling upon our taxpayers to foot a \$1,680,000 bill for meaningless little rituals next fiscal year.

Mr. ANDREWS. Mr. Chairman, I yield 15 minutes to the gentleman from California [Mr. MOSS].

(Mr. MOSS asked and was given permission to revise and extend his remarks and include extraneous matter.)

Mr. MOSS. Mr. Chairman, the pending bill asks more than 15½ millions for the Civil Service Commission. Of this amount, almost \$3 million is for the Commission's work in carrying out the so-called employee-security program set up by Executive Order No. 10450 last year.

Let me make it clear that I believe—and I am sure every Member of this body agrees with me—that we should have only loyal and trustworthy individuals in our Government service. I would not hire a Communist or a drunk to work for me, and I do not think the United States Government should employ such individuals either. The necessity of an

adequate program to secure that objective is not and must not become a partisan issue. I am confident that no one in this House—on either side of the aisle—will question the honest desire of Members to thoroughly examine such a vital program for the purpose of insuring its effectiveness and improving its procedures; and above all, keeping it from becoming a political football.

The previous administration set up the original Federal loyalty program in 1947 under Executive order No. 9835. In 1950, the 81st Congress set up procedures for removing security risks from sensitive agencies such as the Defense and State Departments. The main feature of Executive order 10450 was to extend the security risk removal provisions of the 1950 law to nonsensitive agencies such as the post office. Since there was little new in this, we might have expected the security program to continue working as quietly and effectively as it had done in the past.

The announced objectives of Executive Order No. 10450 were to insure loyal and trustworthy employees in the Government, and to provide fair, impartial and equitable treatment for Government employees.

No one could quarrel with the stated goals of the President's security program. But the noblest statement of purposes is meaningless unless translated into action. And, unfortunately, in this case performance falls far short of promises.

It is obvious by now that the new security program, as administered to date, has utterly failed to achieve its advertised aim of assuring fair, impartial, and equitable treatment to Government employees. And after months of effort, committees of this Congress have been unable to obtain the simplest and most basic information to reassure them that the national security has been receiving any better protection than have the reputations of our Federal workers.

The demoralization of the security program had its inception in the announcement by the White House last October that 1,456 security risks had been separated from Government under the new program, with the added statement that all but 5 were holdovers from the previous administration.

I will not evaluate the intentions of those who made that announcement, but the Washington Daily News said editorially that "there can be no doubt that the idea was to use the security program for political purposes."

Spokesmen for the majority party promptly seized upon this announcement as proof that 1,456 Communists or traitors or subversives had been removed from Government jobs. Among their spokesmen making this interpretation of the number 1,456 were a member of the White House staff, a Governor, and at least one Cabinet member.

Like other Members of Congress who are concerned with problems of our civil service, I was deeply disturbed by the 1,456 announcement. If it were true that 1,456 spies or disloyal persons had been found in our Government, then we had a very serious situation calling for

immediate legislative action to prevent a recurrence of such infiltration.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield there?

Mr. MOSS. I yield to the distinguished gentleman from Massachusetts.

Mr. McCORMACK. As I remember, the gentleman in the White House frankly apologized to the American people, admitting that he made a serious mistake.

Mr. MOSS. I think it is to his great credit. He is the only one who has apologized.

Mr. McCORMACK. It was the personal counsel of the President.

Mr. MOSS. That is correct.

If it were not true, then equally vigorous action was needed to prevent continuation of a slur which was reflecting unjustly on the loyalty of thousands of patriotic Government workers. We have been trying for months to find out whether any suspected spies, saboteurs, traitors, or Communists have been unearthed in our Government and, if so, what has been done to remove them. To this day, the officials in charge of the security program have been either unwilling, unable, or under orders not to furnish this information to the Members of Congress.

Philip Young, Chairman of the Civil Service Commission, is charged with a major share of responsibility for the operation of this program. He has been a particularly uncooperative and evasive source of information.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from Illinois.

Mr. YATES. I should like to point out, in confirmation of what the gentleman is saying, certain portions of the hearings on the Civil Service Commission before our Appropriations Subcommittee; for example, on page 1918. I asked Mr. Young, who is Chairman of the Commission, how many of the employees who were considered security risks had been investigated. He said he did not know, his records did not indicate. I asked him whether he would supply it for the record and he said:

I believe we would prefer not to, Mr. YATES, as part of the breakdown under this security order.

I asked the same thing on page 1024, and he said that he did not have that information compiled.

I said:

Can you supply it for the record?

And again he said:

We would prefer not to.

I asked him the same question subsequently in the record. I said:

Is there a relationship between the 3,200 figure and the 2,200 figure announced by the President of the United States?

And Mr. Young replied:

There might or might not be.

I asked:

I am asking now whether there is.

And Mr. Young replied:

I do not know.

Throughout he showed a complete desire to frustrate me in the information I was seeking. Before other committees I think probably witnesses who refused to give testimony have been accused of resorting to the fifth amendment. I wonder whether or not a similar comparison could be made with respect to Mr. Young.

Mr. MOSS. I would say to the gentleman that his action before the House Committee on the Civil Service, if it had been before some committees of this Congress, might well earn him that label.

His first reaction to requests for information was the astonishing statement that he was "not interested in whether a person was discharged for being disloyal or for being drunk." He next took the attitude that the Civil Service Commission had neither the responsibility nor the authority to furnish information about the program to Congress. He implied in a letter that no breakdown report on the program had been made to the National Security Council, but after persistent questioning admitted under oath that a report and breakdown had been furnished to that agency as far back as October 22, 1953. He continually praised provisions in the 1950 law for protection of employees, without mentioning that under his administration very few, if any, of those involved had been given an opportunity to use the provisions or even knew they were being charged with anything.

Congress got practically no cooperation from the administration in its efforts to learn the truth, but many of the country's newspapers—many Republican—performed a notable public service in digging up the facts. And the facts show very plainly why the officials responsible for this "numbers game" do not want it exposed to the light.

The fact is that supposedly responsible administration officials have perpetrated what, in my opinion, amounts to a deception upon the Congress and the people. All the totals so far released of alleged "security risks" are inaccurate and entirely meaningless.

Executive Order No. 10450 and Public Law No. 733 provide mandatorily that persons accused as security risks must be notified of the charges against them and given an opportunity to reply. If an individual is a security risk, then he must be evaluated and removed under the procedures of the order. That is the only possible way in which an individual can legally be declared a security risk.

Philip Young has admitted under oath that the great bulk of persons he calls security risks were never evaluated as security risks at all, but left the Government under normal civil-service procedures. As an example, Mr. Young claims that during 1953 he found 117 security risks in the State Department, 52 in the Treasury Department, and 150 in the General Services Administration. But responsible officials from each of those agencies have testified during appropriation hearings in direct contradiction that during the same period they did not separate one single individual as a security risk under the full procedure set up by Executive Order No. 10450.

Many so-called security risks do not know to this day that they have been so tagged by Mr. Young. Some are still working for the Government. The State Department security officer admitted that he reported as security risks 291 persons who merely transferred to another agency.

Charges that the numbers 1,456 and 2,200 represented mostly spies or traitors have been completely refuted. If Mr. Young has turned up even one actual subversive he has presented no evidence of it. But of all the prominent majority party spokesmen who made these false accusations, to my knowledge only one has been man enough to apologize publicly.

Now, in response to months of demands for basic information on the security program, Mr. Young has come up with another meaningless figure. His intention, of course, can only be to attempt to further confuse the Congress and the public in the hope that he can hide his errors by further use of meaningless and worthless totals.

Mr. Young has given us no information showing how many people, if any, have actually been declared security risks under proper legal procedures. He will not tell us whether we have any spies, subversives, or Communists in government.

But he has come up with another installment in the numbers game. He has picked the number 429 from somewhere and he says it represents individuals who left the Government in whose files he was able to locate "information indicating, in varying degrees, subversive activities, subversive associations, or membership in subversive organizations." To understand the significance of this figure we might compare it to courtroom procedure. If he were a district attorney, Mr. Young would be announcing that he had secured 429 convictions, when, in fact, he did not have 429 convictions or even 429 indictments, but only 429 charges on which action might or might not be taken, ranging all the way from serious accusations to idle gossip.

As an example, unsubstantiated accusations of subversive association have been made against former Ambassador Arthur Dean, and presumably went into his file. Mr. Dean has since resigned. I do not believe Mr. Dean is a security risk, but with that information in his file I can only assume that Mr. Young has him so listed. And if Secretary of State Dulles ever resigns, his former associations with Alger Hiss would likewise undoubtedly win him a place on Mr. Young's list of totals.

The most serious part of the whole business is that Mr. Young, with a large backlog of present employees not yet investigated, has had security officers neglecting the important work to search dead personnel files for information which is useless for any purpose except an attempt to save face and becloud the real facts.

Apparently it is going to be official policy to continue to play this "numbers game." Mr. Young told the Congress repeatedly that no one knew how many of

the alleged security risks were holdovers from the previous administration. But only a few nights later, on TV, the official spokesman of the majority party said that the majority of the 429 were holdovers. Must we assume that Mr. Young is furnishing, for political purposes, information he will not give to the Congress for the protection of the national security?

The Congress has a right to know what is being done to protect our national security by insuring loyal and trustworthy Government employees. I, for one, am serving notice that I do not intend to rest until we get some responsive and meaningful answers.

Under the present security program, the Civil Service Commission is charged with grave responsibilities for protection of the national security for maintaining employee morale. It is obvious that the Commission, under Mr. Young's guidance, is devoting a great deal of time and effort to playing questionable politics with the security program.

Congress has been unable to obtain any information which would reassure it that such preoccupation has not injured the national security. Unless there is a marked change in the present unwillingness of the Civil Service Commission to cooperate in trying to insure the effectiveness and improve the procedures of the security program, I respectfully suggest that the Congress should give serious consideration to transferring the Commission's duties under the program to some other agency which will take a more responsible attitude.

WHITE HOUSE ANNOUNCEMENTS

Excerpt from President Eisenhower's state of the Union message on February 3, 1953, outlining the purposes of the security program he intended to propose:

All these measures have two clear purposes: Their first purpose is to make certain that this Nation's security is not jeopardized by false servants. Their second purpose is to clear the atmosphere of that unreasoned suspicion that accepts rumor and gossip as substitutes for evidence.

October 23, 1953:

White House announced that 1,456 Government workers either had been dismissed or had resigned while facing action against them in the new Federal employee security program which became effective May 27. The announcement said that 863 employees were dismissed up to September 30 and that 593 resigned.

"In all of the resignation cases," it was announced, "the agencies and departments had unfavorable reports on these employees." James C. Hagerty, press secretary, added the information that only 5 of the 1,456 were persons given jobs under the Eisenhower administration on an interim basis pending investigation. Mr. Hagerty said he thought individual agencies might announce their part of the total later. (Washington Post, Oct. 24, 1953.)

January 7, 1954: President Eisenhower announced in his state of the Union message:

Under the standards established by the new employee security program, more than 2,200 employees have been separated from the Federal Government. (From the official text.)

EXAMPLES OF MISUSE OF FIGURES

November 7, 1953: The New York Times carried this headline at the top of its back page: "United States Aide Reports—One Thousand Four Hundred and Fifty-six Reds Ousted."

Under a Newark dateline from a special correspondent, this lead paragraph followed:

NOVEMBER 6.—Bernard M. Shanley, special counsel to President Eisenhower, deviated from the text of a prepared address today to observe that "1,456 subversives had been kicked out of Government jobs since the President assumed office."

November 25, 1953: Senator JOSEPH R. McCARTHY, Republican, Wisconsin, spoke on a nationwide radio hookup. One paragraph of the text was as follows:

For example, the new administration in the first 10 months in office, has gotten rid of 1,456 Truman holdovers who are all security risks, and over 90 percent of the 1,456 security risks were gotten rid of because of Communist connection and activities or perversion. One thousand four hundred and fifty-six, I would say, is an excellent record for the time President Eisenhower has been in office. (From full text in U. S. News & World Report.)

On a later Meet the Press program, December 13, Senator McCARTHY again said that 90 percent of the number discharged "for Communist activities and perversion" ran "over 90 percent"—from NBC transcript.

December 16, 1953: Gov. Thomas Dewey, in a speech at a \$100-a-plate Republican dinner at Hartford, Conn., referred to the issue in this paragraph:

The Democrats are also afraid that the American people will discover what a nice feeling it is to have a Government which is not infested with spies and traitors. In less than 11 months the Department of Justice has discovered and dismissed 1,456 security risks planted in the Government of the United States under Democratic administrations. (From New York Times text.)

January 21, 1954: Postmaster General Arthur Summerfield, addressing the New York City Industrial Conference Board, declared:

Almost 2,200 people who were security risks are no longer using up your tax money. I am here to tell you we are not hiring any new ones. Somehow I do not feel too amiably inclined toward people who make treason a preoccupation. (From the Post Office Department release.)

[The Eisenhower team has] "gotten rid of nearly 1,500 Communists, fellow travelers, and their ilk, whom the Trumanites had left in office."

"Under Truman, American taxpayers were providing salaries and expense accounts for hordes of spies, saboteurs, and fellow travelers. Now they are not." (From leaflet put out by Carlton G. Ketchum, national finance director of the Republican National Committee.)

GOOD WORK BY THE PRESS

December 21, 1953: The Washington Daily News began a series of eight articles disclosing individual cases of persons fired or charged under the security program. The cases described included a woman charged with bearing a baby less than 9 months after marriage, 10 years ago to her present husband, a man who failed to note on his job application that

he was in an Army psychiatric ward during the war, and a man who had not yet gotten his job back although he had been cleared by his hearing board and ordered reinstated. The author's conclusion was that the system was "not working perfectly" for the individual or the Government.

January 1, 1954: The Washington Post, in a column by Murrey Marder, declared that the administration, "in its zealotness to show that it has been cleaning security risks out of Government," has produced "a set of statistics which has been transformed into a seriously distorted political issue."

January 5, 1954: The Washington Evening Star declared editorially that the Civil Service Commission "owes the public a full explanation of how this total was arrived at and what it covers."

January 3, 1954: The Washington Evening Star, in a three-column review of its efforts to analyze what its reporter, L. Edgar Prina, called "an almost meaningless figure," said that it appeared that the figure, 1,456 included persons who never were fired or forced to resign, as the White House announcement implied, but who instead were separated through voluntary resignations, reductions in force—even by death—without ever knowing they had been accused of anything.

The Star story also reported that the Navy had originally prepared a release, announcing 3 persons fired and 12 suspended as security risks, but after learning that the Civil Service Commission had counted the Navy for 192 of the 1,456, the Navy announced the separation of 192 persons "against whom a security question existed."

The Star said the Air Force rebelled against conforming to the "official" figure and canceled a release on the subject.

January 17, 1954: A Washington Post editorial declared that—

These 2,200 separations thus do not afford any meaningful index to the administration's security vigilance.

It looks—

The editorial continued—

as if the President has been handed a phony figure. We wish he would demand a breakdown of it and give the results of that breakdown to the public.

January 28, 1954: Regarding President Eisenhower's expressed concern over an unjustified stigma on persons dismissed, the Washington Post declared editorially:

One reason the administration is reluctant to break down the figures, it may be inferred, is that few of the 2,200 cases involve actual or suspected disloyalty (and that the total includes some perfectly routine departures). * * * The stigmatizing which worries the President has been intensified by the administration itself, and disclosure, rather than buckpassing, is the way to correct it.

February 1, 1954: Roscoe Drummond, of the New York Herald Tribune, quoted the statements on security risks by "a politically minded member of the White House staff," "a politically minded Cabinet member," and "a Communist-hunting Senator" with the observation:

The facts do not support or provide any excuse for these exaggerations. They are careless, irresponsible, and purposeful. Most who indulge in them are too bright not to know what they are doing.

February 3, 1954: Joseph C. Harsch, special correspondent to the Christian Science Monitor discussed the risk situation and commented:

The administration is caught between the presidentially recognized injustice to many innocent individuals and the presidentially recognized monstrosity of a Republican administration clearing Democrats of charges pinned on them by Republicans.

February 4, 1954: the Washington Post, in an editorial, said that an administration breakdown of its security program figures, if it comes, should provide the following information:

The number of cases in which charges relating to loyalty were presented to the employees; the number in which adverse findings were made after hearings held in accordance with procedures prescribed under the new security program; the number cleared after hearings; the number who resigned without having any charges filed against them and without any knowledge that they were the subjects of suspicion; the number whose dismissal or resignation entailed allegations of unreliability or unsuitability on grounds wholly unrelated to loyalty.

[From the Washington Daily News of March 5, 1954]

CLEANING THE RECORD

The murky tabulations of security risks issued by the administration were not fully explained by the several statements of Civil Service Chairman Philip Young to congressional committees this week. But Mr. Young did clear up two important misconceptions about the risks:

The false idea that most or all of the security risks listed by the administration so far were traitors, subversives, Communists, or something of the kind.

Mr. Young's figures show that only about 17 percent of those rated as security risks by the administration had any substantial information relating to subversion in their personnel files when they left the Government.

Even that does not mean all 17 percent were subversives, Mr. Young emphasized. Many resigned without knowing of the charges and having a chance to explain; others were fired for entirely different reasons. Few, it is clear, went through all appeal procedures and were finally dismissed as subversives.

The false idea that the new administration security program was responsible for removing all the listed risks, whether they were subversives or merely alcoholics or blabbermouths.

Mr. Young's figures show that more than half of some 2,429 persons listed as risks resigned, many voluntarily and without having been informed of the charges. And of those fired, Mr. Young said, "the great bulk were separated under regular civil-service procedures"—not the new security program.

These two misconceptions developed essentially from some—not all—Republicans' attempt to make political capital out of the situation.

President Eisenhower himself left an erroneous impression in a prepared statement (doubtless prepared for him by somebody else) at his December 2 press conference:

"Fear of Communists actively undermining our Government will not be an issue in the 1954 elections. Long before then, this administration will have made such progress

rooting them out under the [new] security program * * * that this no longer can be considered a serious menace. As you already know, about 1,500 persons who were security risks already have been removed."

Others went much further. Some of their statements are detailed in Anthony Lewis' article on this page. There can be no doubt that the idea was to use the security program for political purposes.

That was a bad idea for the country, and in the end for the politicians themselves.

With one exception none of the Republicans who made the false political claims has been man enough to admit that he was, to put it charitably, mistaken.

But by now everyone from the White House down must realize that the full truth would have been best from the start, which is what this newspaper has been hammering at since our story on December 7, 1953, the first in any newspaper to call attention to the discrepancies in party leaders' statements.

Of course, even one subversive in Government is one too many, but it isn't necessary to smear the entire Federal service with deliberately distorted versions of its condition in order to clean up the dirty spots, and keep the service clean.

[From the Washington Star of March 10, 1954]

YOUNG CAN'T ACCOUNT FOR HAGERTY FIGURES ON SECURITY OUSTERS

Chairman Young, of the Civil Service Commission, today said he has no idea where White House Press Secretary James C. Hagerty got his information that all but 5 of the first 1,456 security risks separated were Truman administration holdovers.

Under questioning by Democratic members of the Senate Civil Service Committee, Mr. Young stated that the CSC never supplied such information at any time. He added that statistics on who hired the security risks have not been kept by the Commission.

[From the Washington Star of March 11, 1954]

ADMINISTRATION DOESN'T KNOW SCORE IN ITS "NUMBERS GAME"

The security risk "numbers game" was in such a state of confusion today that administration spokesman found themselves at odds even as to who had told what and to whom.

Testifying at a Senate hearing yesterday, Chairman Philip Young of the Civil Service Commission said that he had no idea where James Hagerty, White House press secretary, got his information that all but five of the first 1,456 Federal employees dropped as security risks were Truman holdovers.

He added that such information definitely did not come from Civil Service Commission because no such statistics had ever been kept there.

TWO VERSIONS

In answer to a query from the Star, on the other hand, Mr. Hagerty said he got his data from the Civil Service Commission. Informed of Mr. Young's statement, he said that still was his best recollection.

"I didn't pick the figure out of the air, I know that," he said.

Mr. Young could not be reached immediately for further comment.

Mr. Hagerty made his original statement about Truman holdovers at a press conference last October 23 when the White House announced results obtained in the first 4 months of the security program.

MR. YOUNG'S COMMENT

The Washington Daily News, in John Cramer's column on January 15, quoted

Chairman Philip Young, of the Civil Service Commission:

I, as a taxpayer, am not interested in whether a person was discharged for being disloyal or for being drunk, and I don't think the average person is. They just want to know that we are getting rid of this type of person on the Government payroll.

CORRESPONDENCE WITH MR. YOUNG

After more than 2 months, the questions asked still remain unanswered.

JANUARY 15, 1954.

HON. PHILIP YOUNG,
Chairman, Civil Service Commission,
Washington, D. C.

DEAR MR. YOUNG: As you are no doubt aware, wide publicity has been given to figures from the Civil Service Commission indicating 1,436 Government employees had been removed as security risks under the new personnel security program. Recently this number has been raised to 2,200.

The Executive order setting up the new security program defines as "security risks" all Government employees guilty of espionage, subversive activities, or unauthorized disclosure of security information as well as those who are members of subversive organizations or associated with subversive persons. In addition, under the new order, Government employees may be classed as security risks if their behavior is unreliable or untrustworthy, if they have had personal habits such as immoral conduct or addiction to alcohol, if they are sex perverts, or if there is any reason to believe they may be subject to coercion or pressure from those attempting to undermine our national security.

No breakdown has been made showing the number of employees discharged because of questionable loyalty and the number classed as security risks for other reasons. The total number of discharged employees has been used by many persons in a manner that suggests all, or nearly all, of these employees were discharged because of disloyalty to the United States.

If we had 2,200 spies or unquestionably disloyal persons in our Government last year, it is a very serious situation calling for legislative action amending civil service laws on hiring and firing of security risks. We must make sure our laws are strong enough to prevent a recurrence of the deplorable situation.

If, however, the majority of the 2,200 persons classed as security risks are loyal Americans, we need to take equally vigorous action to prevent repetition of a slur which reflects unjust doubt on the loyalty of thousands of patriotic Government employees.

As a member of the House Committee on Post Office and Civil Service, which has the duty of considering legislation affecting Government workers and the civil service system, I wish a thorough report on the Government loyalty question. Therefore, I request that you furnish to me as soon as possible the following information regarding the 2,200 persons removed from Government employment as security risks:

1. How were the figures compiled showing 1,456, and later 2,200, security risks were removed from Government employment?

(a) Were all of the 2,200 persons involved informed of the charges against them and given an opportunity to appeal before being removed?

(b) How many of the 2,200 persons were discharged and how many, if any, resigned?

(c) Are any of the 2,200 persons still employed by the Government?

2. How many of the 2,200 persons were removed because of questionable loyalty?

(a) How many, if any, had committed espionage, sabotage, or treason?

(b) How many, if any, were members of the Communist Party?

(c) How many were removed on other loyalty grounds such as associating with subversive persons?

3. How many of the 2,200 persons were removed for reasons not involving loyalty, such as bad personal habits, excessive drinking, or the possibility of being subject to coercion?

4. How many of the 2,200 persons had been cleared by a previous loyalty board?

I am sure you will agree Congress must be fully informed in order to carry out its duty of enacting necessary legislation.

I would appreciate immediate acknowledgment of this letter informing me whether I will receive the information requested and when it will be forthcoming.

Thank you very much.

Sincerely,

JOHN E. MOSS, JR.

UNITED STATES CIVIL
SERVICE COMMISSION,

Washington, D. C., January 19, 1954.

HON. JOHN E. MOSS, JR.,

House of Representatives.

DEAR MR. MOSS: I have received your letter of January 15 inquiring about the employees' security program and asking various questions with respect to it.

Under the provisions of Executive Order 10450 establishing this program the heads of the individual departments and agencies are specifically responsible for the matter of security in their own agencies. In addition, the Civil Service Commission has certain responsibilities enumerated in the order concerning the maintenance of a security index, compilation of lists of employees to participate as members of hearing boards, as well as certain reporting functions given in section 14 requiring the Commission to render information to the National Security Council.

The Civil Service Commission has neither the responsibility nor the authority to release any information that it may possess concerning the employees' security program. It expects to render a report to the National Security Council in a few weeks and I would assume that, at that time, the National Security Council and the White House would arrive at some determination as to what information might be released on the details of the program.

Please be assured of our very sincere interest in your inquiry, and I shall be very glad to sit down and talk with you about this further if you so desire.

Sincerely,

PHILIP YOUNG,
Chairman.

JANUARY 26, 1954.

HON. PHILIP YOUNG,

Chairman, Civil Service Commission,
Washington, D. C.

DEAR MR. YOUNG: Your letter of January 19, if I understand it correctly, takes the position that the Civil Service Commission has the information I requested but is not authorized to furnish it to me.

I do not understand your contention that the Civil Service Commission has no authority to furnish the information requested. I know of no law or executive order prohibiting an executive department from furnishing such information to a Member of Congress, and you do not cite any such law or Executive order in your letter.

I am aware of the Presidential directive of March 13, 1948, forbidding release of confidential files relating to loyalty investigations without express permission of the President. I agree with this order and recognize its necessity in order to protect Government personnel against the dissemination of unfounded or disproved allegations. This order does not, of course, apply to the present situation. I have not asked for confidential files of investigative reports. I do

not seek the names of individuals nor the identity of informants. With one exception—a request for an explanation of the manner in which the total was compiled—every question I asked could be answered by a simple yes or no, or by a number.

Under section 13 of Executive Order 10409, the Attorney General is charged with advising departments and agencies on the employee-security program. According to press reports, the Attorney General stated on January 21 that it is up to the Civil Service Commission to decide if any breakdown of the security-risk figure should be released.

In my letter of January 15, I stressed the fact that Congress must be fully informed so that it may enact whatever legislation is needed to protect the national security. The need for a clarifying statement on loyalty firings and on dismissals for other reasons is obvious to me. There is a great difference between dismissing 2,200 persons for drunkenness, which would call for an extensive temperance program in the Federal service, and the dismissing of 2,200 Government workers for acts of disloyalty which should call for drastic action to counteract a major threat to the security of our country.

There is another compelling reason for prompt clarification of previous statements on the employee-security program. The administration has already made public announcement of the number of security risks removed from the Government. The numbers 1,436 and 2,200 have been repeatedly used in ways suggesting all, or nearly all, of these persons were disloyal to the United States. The responsible officials have refused to give further information to either refute or confirm those charges. This attitude has helped to foster unjust and entirely unwarranted suspicion of many persons who left the Government voluntarily or were discharged for economy reasons. The whole situation inevitably injures the morale of civil service workers and undermines public confidence in our Government.

In your capacity as Chairman of the Civil Service Commission—the agency most directly concerned with assuring fair play to career Government workers—I should think you would feel some responsibility for repairing the damage caused by misunderstanding and distortion of information furnished by the Commission. I frankly do not understand your apparent reluctance to take corrective action.

You refer in your letter to the possibility of information being available after the next report by the Civil Service Commission to the National Security Council. In view of the fact that the first report was made on October 22, 1953—3 months ago—it is reasonable to assume you should be in a position to decide policy at least to the extent it applies to that original report and take immediate steps to release the requested breakdown. Failure to do so must force me to the conclusion that your policy is to withhold these facts from the public and the Congress as well.

Sincerely,

JOHN E. MOSS, JR.

UNITED STATES

CIVIL SERVICE COMMISSION,

Washington, D. C., February 18, 1954.

HON. JOHN E. MOSS, JR.,

House of Representatives.

DEAR MR. MOSS: I refer to our previous correspondence concerning a breakdown of separations of Federal employees under Executive Order 10450.

Yesterday I called upon the heads of the departments and agencies to furnish information concerning these cases as outlined in the attached statement.

Sincerely,

PHILIP YOUNG,
Chairman.

[Press release, United States Civil Service Commission, Washington, D. C., Wednesday, February 17, 1954]

STATEMENT BY PHILIP YOUNG, CHAIRMAN, CIVIL SERVICE COMMISSION, CONCERNING INFORMATION ABOUT EMPLOYEE SECURITY PROGRAM THAT WILL BE FURNISHED TO NATIONAL SECURITY COUNCIL

The basic objective of the employee security program is to make sure that there is no employee on the Federal payroll nor any applicant appointed who can, because of his position, endanger the national security. The American people must be assured that Federal employees are persons of integrity, high moral character, and of unswerving loyalty to the United States. This we have attempted to do. Today the head of each department and agency is responsible for the security of his agency.

There are many criteria for determining the security reliability of employees. A person not measuring up to those standards may have voluntarily resigned his position or may have been discharged. In either case he is no longer on the Federal payroll in a job in which he might endanger the national security. To attempt a classification of these persons by assigning a specific reason in each case for regarding the individual as a security risk would be futile and meaningless. The criteria in section 8 (a) of Executive Order 10450 are many and are broadly stated. It is only the rare case where any single criterion would be controlling. Many things must be and are taken into account, including in many cases the job held and its relationship to the national security.

The American people have been informed from time to time that this program has been making progress. Many hundreds of persons whose files contained information giving cause for belief that such persons did not measure up to the security standards are no longer on the Federal payroll. Some were discharged, and some resigned. Some of those who resigned undoubtedly knew of the derogatory information concerning them; others doubtless did not.

A short time ago it was indicated that a study would be undertaken to determine whether it was feasible to make any classification of those who did not measure up to the security standards. That study indicates that a classification according to the particular reasons for regarding these individuals as security risks would be neither feasible nor in the public interest. However, a classification according to broad categories of information in the individuals' files is feasible. Accordingly, in order to make available to the National Security Council as much information as can feasibly be assembled about the program, I have called upon the heads of the executive departments and agencies to analyze their security cases on the basis of the following types of information contained in the files:

1. Number whose files contained information indicating, in varying degrees, subversive activities, subversive associations, or membership in subversive organizations.
2. Number whose files contained information indicating sex perversion.
3. Number whose files contained information indicating conviction of felonies or misdemeanors.
4. Number whose files contained any other type or types of information falling within the purview of Executive Order 10450, as amended.

Heretofore the statistical data that the various departments and agencies have been furnishing to the Civil Service Commission concerning the employee security program has not included any classification of cases either according to causes for regarding the individuals as security risks or according to information about them.

It should be pointed out again that no individual has a right to a Government job. Working for the Government is a privilege that a citizen must earn. He must meet the standards required for his particular assignment, whether under Civil Service, the security program or any other criteria established for and on behalf of the American people.

FEBRUARY 24, 1954.

DEAR MR. YOUNG: Thank you for your letter of February 18. It does not answer the questions asked in my previous correspondence—in fact, it raises additional questions.

I am pleased to note that you apparently no longer contend as you did in your letter of January 19 that you are not authorized to release information on the employees' security program. However, you still have not stated that you intend to release any information. May I suggest that you make a prompt announcement stating just what information you are going to release and when you are going to release it.

I am disturbed by your indication that you called upon the heads of departments only last week to furnish information concerning security cases. Executive Order 10450 became effective in May 1953, more than 9 months ago. Surely you are aware that section 9 (a) of that order directs the Civil Service Commission to establish and maintain "a security-investigations index covering all persons as to whom security investigations have been conducted by any department or agency of the Government under this order." It also states that "the security-investigations index shall contain the name of each person investigated" and "adequate identifying information concerning each such person." In addition, section 9 (b) states that "the heads of all departments and agencies shall furnish promptly to the Civil Service Commission information appropriate for the establishment and maintenance of the security-investigations index."

You must also know that section 14 (a) of Executive Order 10450 directs the Civil Service Commission to "make a continuing study of the manner in which this order is being implemented by the departments and agencies of the Government" in order to ascertain deficiencies in the program which tend to weaken the national security or deny individual employees fair, impartial and equitable treatment. Section 14 (b) directs all departments and agencies of the Government to cooperate with the Civil Service Commission in accomplishing this study.

If you have complied with these provisions of Executive Order 10450, why is it necessary now to ask the agencies for this information? If you did not have this information, how could you or any other official compile the figures 1,456 and 2,200 which were publicly announced?

As a member of the House Committee on Post Office and Civil Service, I believe it is my duty to try to ascertain whether the new employee security program is properly safeguarding the national security and affording individual employees fair and equitable treatment. For this purpose, I asked questions carefully drawn up to bring out the number of persons, if any, removed from Government jobs as spies, traitors or saboteurs under section 8 (a) 2 of Executive Order 10450 and to show whether the persons classed as security risks had been notified of the accusations against them and given an opportunity to defend themselves. Your request to the departments for information seems to carefully avoid both of these vital questions. I hope this is not your intention.

I note with interest that you do not ask the departments how many employees they have separated under the new security program. Instead you merely ask what kind of information is contained in personnel files.

It should not be necessary to point out to you that these files often contain anonymous accusations which have no basis in fact whatever. This was strongly demonstrated recently in some shocking and wholly groundless charges against Chief Justice Earl Warren. Your request for the number of files having derogatory information in them might be helpful in showing how many persons wrote anonymous letters accusing Government workers, but it is of no value whatever in showing what action the agencies took on those accusations under Executive Order 10450.

It would almost appear that you are now trying to find something in enough files to back up the figures which have been so widely publicized and so strongly attacked as erroneous.

Your request for information is so worded as to permit classifying in the same category persons guilty of treason and persons who are unquestionably loyal but are unfortunate enough to have a relative living behind the Iron Curtain. I can assure you that any breakdown which classifies actual subversives with loyal citizens whose only fault is having a suspected relative will neither satisfy nor deceive Congress.

You state in your press release that "To attempt a classification of these persons by assigning a specified reason in each case for regarding the individual as a security risk would be futile and meaningless." I find it impossible to reconcile this statement with the procedures established by law for removal of security risks. The law (title 5, section 22-1 of the United States Code) provides: "That any employee having a permanent or indefinite appointment, who is a citizen of the United States whose employment is suspended * * * shall be given after his suspension and before his employment it terminated * * * a written statement within 30 days after his suspension of the charges against him * * * which shall be stated as specifically as security considerations permit."

If the departments do not know the specific reasons for classifying an individual as a security risk, how can they notify that individual of the charges against him? And if the departments are giving proper notice to individuals of the specific charges against them, why is that information not readily available?

You are no doubt aware that a number of persons in high positions have used the figures 1,456 and 2,200 in such a manner as to indicate that all or nearly all of these persons were discharged for disloyalty to the United States. Some of the persons making those charges are officials of the administration itself.

As Chairman of the Civil Service Commission you have a definite responsibility for dealing with problems affecting our Government workers. It is hard to imagine anything more damaging to the morale of the Government service than the present accusations of widespread treason being made by supposedly responsible officials.

It is because of widespread misuse of these questionable figures that I now feel the facts must be made known and be as widely publicized in order that the American people may know how very few of their employees merit the label of "traitor" or "subversive."

COUNTING TRANSFERS AS SECURITY RISKS

Excerpts from the testimony of Robert W. S. McLeod, Administrator, Bureau of Security and Consular Affairs, State Department House Appropriations Subcommittee on Department of State, Justice and Commerce, January 25, 1954, page 44:

Mr. McLEOD. * * * we have had a total of 590 separations on which a security question existed. That was from January 1, 1953, to

December 31, 1953. We can break those down as follows:

Transferred to other agencies, 291.

PROCEDURES OF 10450 NOT USED

Excerpt from testimony of Philip Young, Chairman of the Civil Service Commission, before the Senate Committee on Post Office and Civil Service, March 10, 1954:

The third point I would like to make deals with the protection granted to employees under this program. For those persons whom an agency head proposes to terminate under the provisions of Executive Order No. 10450 the procedure calls for a statement of charges and an opportunity to answer. A hearing may be granted, if the employee so desires, before a security hearing board composed of three employees of other Government agencies. The sample regulations, furnished to all agencies by the Justice Department, and adopted by agencies with some minor modifications, provide that when a hearing is held the employee will have the right to present witnesses on his behalf and may cross-examine any witnesses offered in support of the charges. The hearing board reports its decision to the head of the agency who makes the final decision. If the employee is terminated, there is also provision for a determination by the Civil Service Commission, upon the employee's request, as to whether the former employee may be employed in another agency.

Excerpt from the testimony of Robert W. S. McLeod, Administrator, Bureau of Security and Consular Affairs, State Department, House Appropriations Subcommittee on Departments of State, Justice, and Commerce, January 25, 1954, page 45:

SECURITY RISKS

Mr. McLEOD. * * * So far we have not successfully finally completed the procedure in a single case under this order.

On January 12 and February 8, 1954, Elbert P. Tuttle, General Counsel of the Treasury Department testified before the House Appropriations Subcommittee on the Treasury-Post Office Departments to the effect that there had been 130 dismissals of security risks during 1953. All 130 had been removed under Executive Order No. 9835. No security risks had been removed under Executive Order No. 10450.

Excerpt from testimony of Baron Shacklette, compliance officer, General Services Administration, House Appropriations Subcommittee on Independent Offices, February 24, 1954, page 1646:

Mr. SHACKLETTE. * * * There have been no separations after a full hearing to date in GSA. None of them has gone the full route as provided in the Executive order.

WHERE DID THE VICE PRESIDENT GET HIS FACTS?

Excerpts from testimony of Philip Young, Chairman of the Civil Service Commission, before the Senate Committee on Post Office and Civil Service, March 10, 1954:

Senator JOHNSTON. How many of this 2,400 that you are talking about have been hired in Government since January 1, 1953?

Mr. YOUNG. I can't tell you that, Senator, because I don't know how many have been. * * * It would be an extremely difficult figure to try to break out, because, again, it means going back and looking at every single individual case.

Senator JOHNSTON. I want you to give me that, plus this: I want the percent that you

fired for that reason, that you have hired since February 1, 1953—the percent. And I want to know the percent that was working for the Government prior to that time, and the percent you have let go.

Mr. YOUNG. That would be a practically impossible figure to get, Senator, without a terrific amount of time and work, to attempt to find out when each one of these individuals came on the payroll.

Mr. YOUNG. As I have been pointing out, Senator, it would be extremely difficult to attempt to break down to 2,486 cases from the point of view of determining as of what date they actually came on the Federal payroll. * * * It means going back through 2486 individual files, which are scattered all over the country, and in some cases, in other parts of the world.

Senator COOPER. * * * Can you say whether or not those 429 were in the Government at the time of issuance of the Executive order? Is that known?

Mr. YOUNG. It is not known, Senator—the date when any one of these individuals was put on the payroll.

Excerpt from speech made by Vice President NIXON as official spokesman of the Republican Party, March 13, 1954:

Now, how has this policy worked?

Well, since May, when the policy was adopted, fairly and effectively under this program we have been weeding out individuals of this type; and to give you an idea I have here a breakdown of the files of over 2,400 people who have left the Federal payroll either by resignation or discharge under this program since May, and the great majority of these, incidentally, were inherited from the previous administration.

CONCLUSION

To any rational individual, the documentation above can lead only to complete confusion. It is the best possible evidence of the necessity for giving the facts to the Congress and the public.

Mr. ANDREWS. Mr. Chairman, we have no further requests for time.

Mr. PHILLIPS. Mr. Chairman, I yield such time as he may desire to the gentleman from West Virginia [Mr. NEAL].

(Mr. NEAL asked and was given permission to revise and extend his remarks.)

Mr. NEAL. Mr. Chairman, I am in hearty accord with the position taken by the committee—that money advanced by the Government for completing construction of Tennessee Valley Authority facilities should bear the same rate of interest that the Government is required to assume on bonds sold to the public, since this is the only source of Government's borrowed funds.

TVA power consumers have always enjoyed cheaper power rates than those prevailing in other areas of the Nation whose taxpayers have borne the brunt of the creation and maintenance of TVA facilities.

Even now there is pending a commitment of Government funds for the purpose of canalizing the Green River in Kentucky solely for the purpose of subsidizing TVA's coal supply to fuel its steam plants.

The Atomic Energy Commission's operations at Oak Ridge may require more power from time to time. If that is so,

Government should encourage the creation of productive capacity to supply this power for defensive purposes, but power so supplied by this facility will be amply paid for out of AEC funds furnished by the taxpayers who reside in all parts of the United States.

It is, therefore, only fair to the general public that TVA assume the interest on funds advanced by the Government at the same rate paid by Government for the purpose of securing moneys to be loaned in this manner.

Mr. PHILLIPS. Mr. Chairman, I have no further requests for time, and I suggest the Clerk read the first paragraph of the bill.

The Clerk read the first paragraph of the bill.

Mr. PHILLIPS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GRAHAM, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 8583) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1955, and for other purposes, directed him to report it had come to no resolution thereon.

ESTABLISHMENT OF THE UNITED STATES AIR FORCE ACADEMY

Mr. SHORT. Mr. Speaker, I call up the conference report on the bill (H. R. 5337) to provide for the establishment of the United States Air Force Academy, and for other purposes, and I ask unanimous consent that the statement on the part of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of March 25, 1949.)

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to, and a motion to reconsider was laid on the table.

RESIDENTIAL PROPERTY AT OAK RIDGE, TENN.

(Mr. BAKER asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and to include therein a telegram from the president of the Oak Ridge, Tenn., Chamber of Commerce, and an editorial from the Oak Ridger, the daily newspaper published in Oak Ridge, Tenn., issue of Tuesday, March 16, 1953, entitled "Panama-Ridge Parallel.")

Mr. BAKER. Mr. Speaker, I have been a Member of Congress a little over 3 years. During that time I have fre-

quently urged upon the floor of the House that the Atomic Energy Commission get out of the business of being the landlord to the thousands of residents of the atomic city, Oak Ridge, Tenn.

As I stated here just a few days ago, there have been many promises of a disposal program for Oak Ridge, but so far no performance, no plan or draft of a bill granting home ownership to these thousand of citizens at Oak Ridge and removing the stigma of a company town from Oak Ridge has yet been presented to Congress or made public.

I have received thousands of letters and telegrams urging home ownership for Oak Ridge. The following is a telegram from the President T. L. Clines, of the Oak Ridge Chamber of Commerce, of March 25, 1954:

Oak Ridge Chamber of Commerce finds it hard to reconcile delay in presenting property disposal bill to Congress with the many assurances received over past year. Greatly concerned that further delay will block all chances of passage this year. Every day's postponement will make it just that much harder to achieve your often expressed desire for normalcy in city of Oak Ridge. Respectfully urge immediate presentation of proposed legislation.

These fine citizens are justifiably impatient. I cannot too strongly urge the Atomic Energy Commission, Bureau of the Budget, and all other Government agencies responsible for action to give us immediate action so that these thousands of fine persons who are working tirelessly to save the United States from destruction may be first-class citizens and not tenants at sufferance of a Government landlord in a company town.

The following editorial from the Oak Ridger, of March 16, 1953, portrays the situation:

PANAMA-RIDGE PARALLEL

The current issue of Reader's Digest contains an article about the Panama Canal. It tells of the various factors that make the canal extremely vulnerable to enemy attack and reports on conditions about the canal in general.

A part of the article struck home with us particularly. It seemed, from this account, that there's quite a parallel between the canal government community and Oak Ridge.

For example, consider these excerpts describing conditions there:

"When the first Americans went down to the jungle in 1904 to dig the canal they faced incredible dangers and hardships. Special inducements such as free hospitalization, 25 percent more pay than similar Government employees in the United States get, and the advantages of living in a tax-free area were held out to lure these men from the safety of their homes and jobs up North. They were given to believe they were establishing new homes where the opportunities they created would pass on to their children.

"What has happened? At first they were charged reasonable rents for the shacks they inhabited—but rentals have been raised to exorbitant levels. Today these termite-ridden barracks, neither modernized nor maintained in decent repair, shock the visitor from the North. Free medical attention has been taken away, and not long ago the United States Government announced that the 25 percent pay differential would also be abolished or reduced. * * *

"The Canal Zone is like nothing else over which the American flag flies. It is not a

State, a Territory, a possession, a mandate, or even a district, like the District of Columbia. You might say it is a kind of Indian reservation where the inhabitants pay American taxes but have no vote; where the landlord owns all the tepees and the trading posts—but the inhabitants can live there only so long as they have jobs. If you are retired or fired, you and your family are shipped out immediately like refugees. You are not permitted to buy or own a place to live, and it doesn't matter how long or faithfully you have worked there, when your useful days are over—out you go. * * *

"One oldtimer, recently retired after 45 years of faithful service, told me: 'The Canal Zone was the only home I knew. But as soon as my retirement papers came through I was practically deported.' He added: 'We oldtimers remember the ringing speeches of Teddy Roosevelt, General Goethals, and other great American leaders who assured us that we were building a new homeland for our children and our children's children. Now there is sadness—even bitterness—in our hearts. We oldtimers have a name for this: Betrayal at the Ninth Parallel.'"

Reading this, and then glancing at the calendar, makes us all the more impatient that the Atomic Energy Commission, the Bureau of the Budget, and Congress tell us something positive quickly about the long-long-promised property disposal program.

How much longer are we expected to be patient? We don't want our similarities to the Panama Canal to go any further than they already have.

SPECIAL ORDER GRANTED

Mr. WILLIS asked and was given permission to address the House today for 12 minutes, following any other special orders heretofore entered.

THE HOUSING PROGRAM

(Mr. PATMAN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include his own individual minority view on H. R. 7839.)

Mr. PATMAN. Mr. Speaker, the housing bill has been under consideration by the Committee on Banking and Currency for several weeks. The bill was reported out last Friday night. When the bill comes before the House on Wednesday or whenever it shall be appropriate to consider it, I expect to offer an amendment to strike out all of title II which is the title which would permit the raising of interest rates from the traditional spread of 1½ percent above the long-term rate to 2½ percent, and also strike out controls which would be reinstating regulation (S).

INDIVIDUAL MINORITY VIEWS OF REPRESENTATIVE WRIGHT PATMAN ON H. R. 7839

This housing bill as reported has more harm in it than good. It would be better to have no bill at all than to pass this bill with all of its bad features.

The interest rate increase of 1 percent on home mortgage loans is indefensible. On a 25-year home mortgage for \$9,600, an increase of one-half of 1 percent in interest means \$814 the borrower must pay, or 15 percent more. This illustration is for an increase of one-half of 1 percent, whereas the bill provides for an increase of twice that much.

The financing plan of this housing bill was referred to as a fraud and a hoax by an important housing official, who stated it is "completely and absolutely unworkable."

We have 12 million substandard dwelling units in the United States. One-third of

our Nation is ill-housed. We need to build 2 million new homes each year for the next 10 years to provide decent housing in America. The administration has programed less than 1 million new starts for this year. The home builders want to build 1,400,000 homes and recondition 500,000 more this year. The mortgage bankers and landlords—who profit from housing shortages—naturally want the smallest number started this year.

CONGRESS DELEGATED MORE POWERS THAN RETAINED

Twelve powerful men who have more control over the economic affairs of our country than the United States Congress or the Executive were not brought before the committee or consulted on this important bill.

Their actions will determine whether this bill or any other bill involving credit or money will work.

Congress in delegating such enormous powers to a small group has delegated more powers that are necessary for an expanding, dynamic, progressive economy than it has retained for itself.

The cost and availability of credit and money are determined in our national economy by the Federal Open-Market Committee.

This Committee, operating under powers granted by Congress, makes it possible for money to be easy or hard; to make interest rates high or low; or to create a climate that causes our Nation to progress or suffer a depression.

The 12 men composing the Federal Open-Market Committee consist of the 7 members of the Board of Governors of the Federal Reserve System and 5 representatives of the Federal Reserve banks, each of whom is selected by a board of 9 directors of the Federal Reserve bank he represents. The 9 directors consist of 6 members named by the private commercial banks and 3 named by the Board of Governors. A more correct statement is the Federal Open-Market Committee consists of the 7 members of the Board of Governors and 5 presidents of Federal Reserve banks who are obligated to the private bankers for their selection.

A comparable situation would be created if the railroad owners helped to fix freight rates by having their representatives members of the Interstate Commerce Commission.

The Federal Open-Market Committee can hold interest rates short- or long-term at any rate it desires.

Mr. Marriner S. Eccles was Chairman of the Federal Reserve Board longer than any other person. He was doubtless more familiar with every detail of the operations of the Federal Reserve System than any other person.

Mr. Eccles, in answer to questions—when he was before congressional committees—often stated that the Federal Open-Market Committee had the power to determine the availability of credit, interest rates, prices of Government bonds, and other important matters.

When Mr. Eccles was testifying before the House Committee on Banking and Currency, in March 1947—and while Senator Mike MONRONEY was then a Member of the House and a member of the Banking and Currency Committee of the House—a question was asked by Mr. MONRONEY and an answer given by Mr. Eccles, as follows:

"Mr. MONRONEY. Do you mean to say that with your present Open-Market Committee, and the operation of the Federal Reserve, as it now stands, that, regardless of what the national income is, or other economic factors, you can guarantee to us that our interest rate will remain around 2.06 percent?"

"Mr. ECCLES. We certainly can. We can guarantee that the interest rate, so far as the public debt is concerned, is where the Open-Market Committee of the Federal Reserve desires to put it."

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

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For actions of March 31, 1954

83rd-2nd, No. 59

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HOUSE

1. INDEPENDENT OFFICES APPROPRIATION BILL, 1955. Passed with amendments this bill, H. R. 8583, rejecting several amendments to increase TVA funds (pp. 3975-4025).
2. PLANT PATENTING. The Judiciary Committee reported with amendment H. R. 5420, to amend the law relating to the patenting of plants (H. Rept. 1455)(p. 4055).
3. DAIRY PRICE SUPPORTS. Reps. Johnson, Wis., and Zablocki requested legislation to postpone the reduction in dairy supports (pp. 3971-4).
Rep. Dawson, Utah, spoke in support of the Secretary's action in reducing dairy supports (p. 3975).
4. DISBURSING. The Government Operations Committee reported without amendment H. R. 7306, to make permanent the authorization for U. S. disbursing officers, for official purposes or for the convenience of Federal employees or contractors, to cash and negotiate checks and other instruments payable in U. S. and foreign currencies (H. Rept. 1457)(p. 4055).
5. SOCIAL SECURITY. Rep. Kean explained H. R. 7199, which includes a provision extending social-security benefits to farmers and additional farm workers (pp. 4029-33).

SENATE

6. STATEHOOD. Continued debate on S. 49, the Hawaii-Alaska statehood bill (p.3960).

7. PUBLIC LANDS. The Interior and Insular Affairs Committee reported with amendments H. R. 1815, to amend the Recreation Act of 1926 to include other public purposes and to permit nonprofit organizations to lease public lands for certain purposes (S. Rept. 1146)(p. 3911).

The Government Operations Committee postponed indefinitely further action on S. 2432, to create a Department of Mineral Resources, and S. 901, providing for preference to former owners to purchase certain real property acquired under the reclamation laws (p. D346).

8. FORESTRY; RECLAMATION. Sen. Watkins spoke in defense of the Echo Park Dam project which would inundate some national-forest land (pp. 3961-2).

9. PRICE SUPPORTS. Sens. Anderson, Kefauver, Humphrey, and others discussed the reduction in dairy price supports, with Sens. Kefauver and Humphrey favoring a temporary extension of high supports and Sen. Anderson opposing an extension (pp. 3923-5, 3929-32, 3967-70).

10. APPROPRIATIONS. Sens. Stennis, Humphrey, and others commended the Administration for requesting substantial increases in appropriations for agricultural research and extension work and spoke in favor of increased funds for vocational education (pp. 3920-3).

Sen. Humphrey spoke against the proposed reductions in Forest Service appropriations and recommended increased funds for forestry (p. 3910).

11. TRAVEL. The Government Operations Committee "unanimously agreed" to report favorably S. 3200, to increase from \$9 to \$12 the maximum per-diem allowance for subsistence and travel expenses (p. D346).

12. DECENTRALIZATION. The Government Operations Committee indefinitely postponed further action on S. 691, to authorize decentralization of Government personnel (p. D346).

13. FARM AND FOOD PRICES. Sen. Maybank claimed that while farm prices keep going down, consumers pay more and more for food and that "this is largely caused by Secretary...Benson" (p. 3929).

14. PERSONNEL. Sen. Johnston, S. C., criticized the Administration's security-risk figures (p. 3918).

15. ECONOMIC SITUATION; FOREIGN TRADE. Sens. Malone, Anderson, and others discussed the present economic situation, including the effects of imports on the farm economy (pp. 3933-60).

16. ADMINISTRATIVE PROCEDURE. Sen. McCarran spoke in favor of his bill, S. 1708, to provide for Presidential appointment and Senate confirmation of hearing examiners, and claimed that until independence of hearing examiners can be achieved, the purposes of the Administrative Procedure Act cannot be realized (pp. 3925-8).

17. LEGISLATIVE PROGRAM. Majority Leader Knowland stated that, if the statehood bill is completed Thurs., the Senate will recess until Mon., when the calendar will be called, to be followed by the road-authorization and lease-purchase bills (p. 3933).

COMMITTEE HEARINGS RELEASED BY GPO

18. ECONOMIC REPORT OF THE PRESIDENT, Jan. 1954. Joint Committee on the Economic Report.

medical facilities would be used to the fullest extent possible.

In cases where such military facilities were not capable of providing the authorized treatment, or in cases of emergency, medical care would be provided at Government expense from duly licensed civilian physicians and surgeons, and at duly accredited civilian hospitals and treatment facilities. Use of military medical facilities would be specifically directed in cases where the care could not be furnished more economically by civilian means.

In order to prevent possible overuse of the new program, the Secretary of Defense would be allowed to assess a nominal contribution from each patient for the medical care rendered. Current thinking in the Department of Defense is for a charge to the patient of about 10 percent of the cost. In the case of hospitalization, this would about equal the nominal subsistence charge now made to dependents who have been treated at service hospitals. Outpatient medical care at a military dispensary, or clinic, would not be charged to the patient under the proposed regulations.

Medical care would include such treatment as diagnosis, acute medical and surgical treatment, immunization, and maternity and infant care. It would include hospitalization, where needed, except for domiciliary care of chronic diseases, chronic nervous or mental disorders, and certain contagious diseases. In acute emergencies, it would include ambulance service, and in special cases would also include house calls by the physician.

This bill, when passed, will have an immediate and far-reaching effect on the Armed Services, where morale is at an all-time low, and reenlistment rates are the lowest in history.

It will mean that this Congress and the Eisenhower administration have reversed the ominous trend that has progressively whittled away servicemen's benefits over the past 10 years. It will signal an end to the creeping cutbacks that have seriously damaged military morale at a time we can least afford it.

I understand that this legislation has the approval of the various branches of the military, of the Defense Department itself, and of President Eisenhower. I understand it has been thoroughly discussed at the Budget Bureau and is soon to emerge from there for action by the Congress. It is my earnest hope that we may act quickly, forthrightly, and sensibly when this long-needed legislation comes before us for consideration and action. Action on this matter is long past due.

SUPPORT PRICES ON DAIRY PRODUCTS

(Mr. DAWSON of Utah asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. DAWSON of Utah. Mr. Speaker, tomorrow, Secretary of Agriculture Ezra Taft Benson will lower the support level on dairy products, including butter, to 75 percent of parity. This courageous action is being taken by the Secretary in

an atmosphere clouded by false statements and malicious rumors. I think it would be well at this time to examine the facts.

First, what is the law under which the Secretary is taking this action? Let me read it. Subsection 201 (c) of the Agricultural Act provides:

The price of whole milk, butterfat, and the products of such commodities, respectively, shall be supported at such level not in excess of 90 percent nor less than 75 percent of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply.

Let me emphasize the key words. Supports shall be set at a level necessary to assure an adequate supply. That is the law.

A review of the production of dairy products during the last year when the price was supported at 90 percent of parity is in order. You all will recall that Secretary Benson agreed 1 year ago to continue supports at 90 percent. He was frank in admitting that he came to this conclusion reluctantly. He said at that time that the dairy industry itself should find a solution to the program that was keeping milk and butter and cheese priced out of the low-income market. He warned that the consumer who could not afford to buy these necessary foods for his children resented the use of his tax money by the Government to buy these foods for storage. Nevertheless, in order to give the industry time to work out its own solution, the Secretary kept high supports.

What has happened to the supply of dairy products? Has consumption increased? Has the industry come up with a program that would put these needed products in stomachs rather than storage? Let us look at the facts for the answers.

The Commodity Credit Corporation inventory as of February 20, 1953, was 60.5 million pounds of butter, 22.7 million pounds of cheese, and 97.5 million pounds of non-fat-dry-milk-solids. This was the equivalent of approximately 1.2 percent of the milk production of the previous year.

What is the picture today? Here it is as of February 17, 1954.

Instead of 60.5 million pounds of butter, the Government now holds 275 million pounds. Instead of 22.7 million pounds of cheese, the Government now has 290 million pounds. Instead of 97.5 million pounds of non-fat-dry milk solids, we now have 482 million pounds.

Our supply on hand of butter and cheese—stored at appalling expense to the taxpayer—is sufficient to give every man, woman, and child in the United States 3 pounds each. The operation of the 90 percent price-support program during the past year has required the Government to use tax funds to take approximately 1 quart out of every 10 produced and put it into storage.

I do not think anyone can safely say that the 90-percent support program is necessary to insure an adequate supply of butter. Those who would maintain this, would describe the Johnstown flood as the result of an adequate supply of water.

Instead of attempting on its own to bring consumption up and production in line, the dairy industry bolstered by the high support program has increased production during the past year to such an extent that we are paying over \$500,000 per day in storage charges. How can anyone defend or propose a continuation of this policy?

Can any friend of the farmer maintain that a continuation of this surplus buildup will result in anything but a revolt from the consumers—a revolt that may in its extreme wreck any program to aid the farmer?

I submit that Secretary Benson has taken the only action he can take and obey the law. I believe that this action—despite the outcries from narrow interests—is the only one that will save the farm program.

Is there any constructive alternative to this program which will permit a general decrease in retail prices of milk and its products and so encourage increased consumption for the benefit of all?

I cannot see how anyone who is conscientious could do otherwise than what Secretary Benson has done in this case. His honesty, integrity, and concern for the general welfare—in the face of political pressures generated by narrow interests—is admirable. In Secretary Benson, the American people have the type of courageous public servant they are entitled to.

INDEPENDENT OFFICES APPROPRIATION BILL, 1955

Mr. PHILLIPS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 8583) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1955, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 8583, with Mr. GRAHAM in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday there was pending an amendment offered by the gentleman from Alabama [Mr. ANDREWS].

Without objection, the Clerk will again report the amendment.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. ANDREWS: On page 42, line 25, after the word "vehicles", strike out "\$103,582,000" and insert "\$188,358,000."

Mr. JONAS of North Carolina. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment would increase the appropriation recommended by the committee from approximately \$103 million by \$85 million. Several other amendments will be offered today, and they will bear upon other sections of

the bill. I expect to have something to say about those amendments when they are offered, but I will undertake to confine my remarks during these 5 minutes to this particular amendment. The \$103 million of funds authorized in the bill, will permit TVA to complete the construction of every installation now in process of construction. The purpose of the amendment is to give TVA additional money to build entirely new steam plants or new units in existing steam plants. The question, therefore, arises whether or not TVA will need \$85 million to build new steam plants. I will cite just two reasons why this amendment should be defeated. There are others that I could mention, but I think these two ought to be determinative of this issue. First, keep this in mind. We are not dealing with \$85 million. That is only the first installment. These steam plants undertaken to be authorized by this amendment will require 3 years to construct, and the \$85 million undertaken to be added to the bill today will only pay the first year's cost. So, we ought to understand at the outset that what is proposed here is to obligate the Treasury of the United States to spend \$227 million in addition to the \$1,750,000,000 already invested in TVA. The other reason I think the amendment should be defeated is that it does not have budget authorization. There was no justification before our committee for the construction of additional steam plants. Not a word appears in the printed justifications filed before the committee asking for money to construct plants other than those now in process of construction. I do not think this committee, without any hearings and without any consideration at the hands of the Budget Bureau ought to summarily so to speak add \$225 million to the expense of the taxpayers of the United States. I do wish to make it clear that there is no shortage of power in the Tennessee Valley area. Statements have been made on the floor this week, as well as last year, indicating a shortage. It is not a question of shortage of power; it is a question simply as to whether TVA will get the additional power it needs from private power sources that is now available, or whether the taxpayers of the United States will put up additional money to build new steam plants. TVA expects to sell during the fiscal year 1955, 50 billion kilowatt-hours of electricity. Where is that electricity going to go? About 50 percent of it will go to Federal agencies.

Sixteen and one-half billion of those kilowatt-hours will go to industrial and commercial uses. Five billion, one hundred million kilowatt-hours will go to Tennessee Valley to light the homes of the people of the Tennessee Valley; one and a half billion kilowatt-hours will go to the people of Tennessee to heat their homes. I do not believe it is up to the taxpayers of the United States to provide cheap electricity for the good people in the Tennessee Valley to enjoy the luxury of electric heating.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. CANNON. Mr. Chairman, the money we have spent on TVA is the best

investment the Government has ever made in its entire fiscal history. The Tennessee Valley Authority has paid bigger dividends than we have ever received from any other enterprise within the memory of man.

Had it not been for TVA we could not have had the atomic bomb which ended the World War, and which saved hundreds of thousands of lives and untold amounts of treasure. Had it not been for the superpower provided by TVA we could not have produced the aluminum for that great fleet of airplanes which blasted Hitler's centers of communication, production, and power and brought the war to an end.

TVA alone made it possible. And the gentleman from New York [Mr. TABER] went with me down to Oak Ridge, leaving in the night and returning in the night, and with me and the other three members of the subcommittee wrote into the TVA appropriation bills over \$2 billion, when no other Member of the House knew that it was being spent much less what it was being spent for. That \$2 billion ended the war. How fortunate for the Nation it was that it was in the 79th Congress and not in the 83d Congress.

The flower of the American Army was trying to take Iwo Jima. The desperate resistance of the Japanese forces was compelling us to consume three times the men and munitions and three times the time we had expected to expend. They were entrenched in caves and vast underground galleries and had to be blasted out with subterranean charges and burned out with flamethrowers, step by step, a yard at a time, and our losses were appalling. Just last week you read in the papers of the finding of 3,200 bodies of Japanese soldiers in these underground galleries where they had remained undiscovered during our 10 years of occupation of the island. When we finally took it there was not a square foot on the island that had not been bombed and devastated and pulverized by artillery, rifle fire, grenades, and the heaviest naval guns in the American fleet.

We then turned our attention to the mainland and the indomitable Japanese Army, fighting on its own shores, in defense of its homes, its empire, and its shrines, fighting with its back to the wall, prepared to make an even more desperate resistance. Iwo Jima was merely a foretaste of what was to come.

In that fateful hour, a single airplane, with a single bomb—from TVA—without the loss of a single American life, closed an era in world history.

What a dividend TVA paid. There is not a community in America but sent men to Iwo Jima who never came back. What would it have meant to communities and homes throughout the Nation if we had to take the mainland—the homeland—by assault? As at Iwo Jima, wave after wave after wave of Americans hurled against ramparts defended by Japanese who never surrendered would have been hurled back burned and broken and crushed to bloody pulp. That is what TVA saved us. And yet they tell us here today that TVA should never have been built. That is was a

financial mistake. That it is socialistic. That it prevents the private utilities from charging the American people more for electricity.

But that was only half the battle. Over on the English Channel superior German airpower destroyed Rotterdam in 30 minutes, and brought France to her knees in as many days. Every night London was lighted by her own conflagration, and slowly but inexorably Hitler closed in. Neither England nor France nor any allied country could turn back the rain of death from the skies. Only one hope remained. American airpower.

Only a little while before we had fought in the Appropriations Committee and here on the floor the same battle we are fighting today. TVA was appealing urgently for that last dam. The same interests opposed it then that oppose it today. But it was the 78th Congress and not the 83d Congress. And we built the socialistic dam that completed the grid and from the expanded TVA flowed the vast currents of power which produced the aluminum and sent a conquering cloud of airplanes across just in the nick of time to stop the new rockets already in position on the French and Belgian coasts which would have snuffed out all allied resistance in a matter of weeks. No power or agency under heaven could have saved Europe and us—but TVA. But we are told here today that TVA is socialistic and should never have been built and that it should be so loaded down with drains on its income that the yardstick which protects every consumer of electricity in city and country, in every community in the Nation, should be destroyed so that private enterprise can charge more for electricity.

But we are confronted by another and more deadly enemy. Russia not only has the A-bomb and the H-bomb but she has more and better planes than we have. She has more and better submarines than we have. And she has a well-disciplined and well-equipped army 10 times as large as all the allied armies combined.

Russia is building TVA modeled power-plants on her great rivers. And she is not putting them under the restrictions imposed by the committee in the bill pending here today.

The President has warned the Nation of the danger of the situation. Plans have been completed for abandoning our cities and getting our people out into the country as their only defense against air attack. And TVA which saved Europe cannot save itself. In this bill we are taking the first deliberate step toward strangulation.

Why, Mr. Chairman, we do not have to emasculate TVA. If we will just give them time the Russians will do it for us. Our Army long ago worked out a list of targets which they say the Russians will attack when they come over. And TVA is the first target on the list. Russian communism hates and fears TVA more than any other American institution. And when this race between American and Russian armaments draws to its close—as eventually it must—TVA will be the first to go. It is now a question of which will get in its deadly work

on TVA first, the Politburo or the Power Trust.

But TVA is as valuable in peace as it is in war. Within the last century we have so plundered and exploited our national resources that we are getting down to the bottom of the barrel. Our vast forests are making their last stand in the Far West, and lumber is reaching a prohibitive price. Our gold and silver mines have been worked out and we must import all precious metals. New oil wells are being discovered but the old wells have been pumped dry. Even our subterranean water level is dropping and reclaimed irrigation districts are being turned back to the desert.

Our agricultural lands have been so worn and depleted that fertilizer is a necessity in every farming region. The first modern fertilizer plant was established at TVA and it is today a pilot plant showing what kind of fertilizer is needed and how to produce it cheapest. And of course the cheaper food can be grown the cheaper it can be sold to the consumer.

But most serious of all, our iron mines are being exhausted and now that even the fabulous Mesabe Range is about worked out, it becomes necessary to find a substitute. Steel is the foundation of industry—the one indispensable factor in our modern economy. Aluminum is the only practical substitute. And it can be produced in practically unlimited quantities as long as we have electricity. But it requires electricity to produce it, and only TVA can deliver power in the quantities required.

We cannot stand still. We cannot adequately implement a steel-age civilization without TVA. We cannot win the next war with the weapons and strategy with which we won the last war. We will need greater weapons—we must have a greater TVA in the next war than we had in the last. Instead of restricting TVA as we do in this bill we must provide additional and expanded facilities.

That is what we are voting on here today. We know how Stalin and Hitler and the Mikado would have voted. They didn't like the demonstration over Hiroshima and Berlin in 1945. We know how Malenkov and Vo Nguyen Giap and Mao Tse Tung would like to see us vote on TVA here this afternoon. And in voting let us remember that a hydrogen bomb dropped on Washington would burn to a crisp everything north to Toronto, south to Miami, and west to Kansas City. In this connection I would like to read an editorial from the Washington Post and Washington Times-Herald, the great American newspaper. Its editorial opinions are not controlled by its advertising columns. Here is what it says:

CRIPPLING THE TVA

The House Appropriations Committee has proposed a program for the Tennessee Valley Authority which would slowly put it out of business as an effective regional enterprise. In the first place, the committee lopped off \$38 million of the \$141 million appropriation recommended by President Eisenhower. This is a heavy blow in view of the fact that the President already had refused a TVA request for \$85 million to build new power facilities. In the second place, the committee wrote into the appropriation bill, which the House now is considering, a series of riders

that would do more damage than the denial of funds.

The bill would abrogate the agency's authority to control resale rates on the power it generates. This would permit co-ops and communities buying power from TVA to vie with one another in establishing retail rates, or to pay for various community services by charging high electric rates, or to subsidize certain enterprises with low rates at the expense of the individual consumer. Another rider on the appropriation bill would require TVA to pay interest to the Government on money invested in power facilities. TVA could pay this, as it is ahead of schedule in repaying money advanced by the Treasury. But if it paid interest charges—interest on money to purchase property which the Government owns now and will own after the agency pays back the money—TVA would have less money for new transmission lines and other necessary development. Finally, the bill would require the agency to return to the Treasury money it has on hand to cover depreciation of plant and equipment. This would be an invitation to inefficiency.

TVA is an agency which the people of this country have come to support with pride and enthusiasm. During World War II, it proved its worth many times over. Even today there is a shortage of electric power in many parts of the country, and nearly every electric system is busily engaged in expanding plant capacity. It would be shortsighted in the extreme to cripple TVA at a time when it is an important supplier of power for atomic plants. Congress would not think of making a direct attack on the agency. It should not permit an indirect attack—and by the infamous method of legislation by appropriation—such as that engineered by critics of TVA on the House Appropriations Committee. The House at least ought to eliminate these legislative riders in the appropriation bill.

Mr. GWINN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we have had 20 years' experience now with America's first, much-touted, great, Socialist, Communist experiment. We ought to have learned something.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. GWINN. No; I do not. I will after a while. I am anxious to yield, but not now.

Mr. SUTTON. Mr. Chairman, I ask that those words be taken down.

The CHAIRMAN. The Clerk will report the words objected to.

The Clerk read as follows:

By Mr. GWINN: "We have had 20 years' experience now with America's first, much-touted, great, Socialist, Communist experiment. We ought to have learned something."

The CHAIRMAN. The Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GRAHAM, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 8583) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices for the fiscal year ending June 30, 1955, and for other purposes, certain words used in debate were objected to and on request were taken down and read at the Clerk's desk, and he herewith reported the same to the House.

The SPEAKER. The Clerk will report the words objected to.

The Clerk read as follows:

By Mr. GWINN: "We have had 20 years' experience now with America's first, much-touted, great, Socialist, Communist experiment. We ought to have learned something."

Mr. GWINN. Mr. Speaker, may I read the definition of communism?

Mr. McCORMACK. Mr. Speaker, a point of order.

The SPEAKER. The Chair is ready to rule.

The Chair sees nothing in the language used that would reflect upon the membership of the House or otherwise be considered unparliamentary.

The Committee will resume its sitting.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 8583, with Mr. GRAHAM in the chair.

Mr. GWINN. Mr. Chairman, it might be well to read from Webster's International Dictionary the definition of communism:

A system of social organization——

Mr. SUTTON. Mr. Chairman, I make the point of order the gentleman is not speaking on TVA and he is therefore out of order.

The CHAIRMAN. The gentleman from New York will address himself to the pending amendment.

Mr. GWINN. Mr. Chairman, I am doing just that. I am going to describe this black spot on our map down in Tennessee which they themselves have circulated, and give a definition of what it is, which I proposed to talk about:

Communism is a system of social organization in which goods are held in common, the opposite of the system of private property.

Now, we ought to defeat this amendment; in fact we ought to stop all appropriations because a system of public property or commercialized property works in America like it does in the rest of the world—England, France, Russia. It reduces production, it impoverishes the people, it destroys political and economic freedom without an exception in the world. From that history we would expect just what has happened in Tennessee as the result of this experiment.

The chamber of commerce has just published a most enlightening study on TVA from 1933 to date. It shows that Tennessee among the 10 Southeastern States ranked very high before TVA when they had private power and private salesmen going all over the State selling power. They had no shortage.

Tennessee ranked then among the 10 Southeastern States with regard to retail sales as second in 1929. After TVA in 1948 it dropped down to fifth.

In retail-store payrolls in 1935 it ranked third; in 1948 fifth.

In value added by manufacture, Tennessee ranked third in 1933, fourth in 1947. In gross postal receipts they ranked third in 1933, down to fourth in 1951.

Listen to this: Receipts from farm markets, in 1933 Tennessee ranked fifth, in 1950 eighth.

They put more land under water, 660,000 acres of it under water down there—more acres than there are in the whole State of Rhode Island. Floods are not controlled. The land is permanently flooded. Annual production of \$27 million, from the richest bottom land is permanently wiped out, the State permanently crippled by a big, rather useless lake, with 9,000 miles of shoreline. As some one said, "Man made 9,000 miles of shore on a God made 650-mile river."

The extent of the misrepresentation involved in this project as a flood-control project is shown by the Army engineers report that not more than once in 500 years would there be a serious flood.

In all of the categories examined, Tennessee has fallen behind in productivity. It ranks one point above where it used to rank 20 years ago, only in one particular, and that is the per capita income and the per capita taxes paid. But, the reason for that is not that Tennessee is more productive. Instead of producing and paying taxes, Tennessee herself has been an eater of taxes from the outside. One hundred and eight million dollars have gone down there from the outside to meet payrolls of 22,796 TVA employees, or nearly an average of \$5,000 apiece, plus other hundreds of millions in doles for one sort or another. That accounts for the rise in per capita income and per capita taxes paid in Tennessee—by donations from outside.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

Mr. PHILLIPS. Mr. Chairman, reserving the right to object, I wish to say this: I am in this peculiar position. We are actually working today on borrowed time. The other committee is waiting to go. We had discussed this matter yesterday and the day before. I have no desire whatever to limit debate of anybody, especially those who have not spoken before. I hope no one will ask for an increase in time. I am constrained to object to any request for additional time.

Mr. McCORMACK. Mr. Chairman, I do not like the phrase "borrowed time" in its application to the House. This side cooperates in every way possible.

Mr. PHILLIPS. That is true.

Mr. McCORMACK. Now, the gentleman, I think, should allow a little flexibility, and a situation has arisen where, I think, if anyone wants to answer, he should be given 5 additional minutes. I believe in freedom of speech, and I would like to see the gentleman from New York get 5 additional minutes.

The CHAIRMAN. Does the gentleman from California insist on his objection?

Mr. PHILLIPS. If I may make a further observation, answering the gentleman from Massachusetts, if I accede to

his request to permit the gentleman from New York additional time which I think, as he does, is desirable, will he then object if from then on I decline to allow unanimous-consent requests by other Members?

Mr. McCORMACK. The gentleman from Massachusetts will not permit himself to have conditions imposed. I have asked unanimous consent that the gentleman from New York have 5 additional minutes, and I am just going to stand on that. We will let the rest take care of itself.

Mr. PHILLIPS. Then the gentleman from California will not object to this unanimous-consent request, but the gentleman from Massachusetts understands what will happen in the future.

Mr. McCORMACK. The gentleman from Massachusetts is not binding himself beyond the present unanimous-consent request that the gentleman from New York have 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. GWINN. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. I was interested in the gentleman's reference to the Tennessee Valley Authority as a Communist outfit. Year before last when the gentleman's candidate for President came down to Memphis he endorsed the program of the TVA—

Mr. GWINN. I yield for a question.

Mr. ABERNETHY. What complaint did the gentleman from New York register then against his candidate's endorsement?

Mr. GWINN. I am not discussing that now.

Mr. ABERNETHY. It is very relevant.

Mr. GWINN. I yielded for a question. Will the gentleman repeat the question?

Mr. ABERNETHY. I am asking the gentleman, what complaint did he register at the time his candidate endorsed what the gentleman says is a communist organization?

Mr. GWINN. What gentleman?

Mr. ABERNETHY. You.

Mr. GWINN. Will the gentleman repeat his question?

Mr. ABERNETHY. I said, what objection or protest, if any, did the gentleman interpose when his candidate for President in 1952 endorsed this so-called Communist organization?

Mr. GWINN. Why, the part of what the candidate said that I endorsed was that this was one of the best examples of our American creeping socialism.

Mr. ABERNETHY. But that was after he had already caught the rabbit.

Mr. GWINN. Now, Mr. Chairman, I do not yield further.

Mr. ABERNETHY. While your candidate was chasing the rabbit, what did the gentleman have to say?

Mr. GWINN. Mr. Chairman, I do not yield further to the gentleman.

Mr. ABERNETHY. I did not understand that.

Mr. GWINN. I would like to answer further the gentleman's reference yes-

terday on the floor to the candidate for the Presidency. When the candidate for the Presidency rode in his campaign, before his train got even to the Tennessee border a committee from Tennessee, economically not free, politically not free, religiously worshiping the State, said to the candidate, "What do you bid for the votes of Tennessee in terms of appropriation for TVA?" And the gentleman said that unblushingly, as if our candidates, from here on, should approach each State border with an answer to the question, "What do you bid at this auction for the vote of this State?"

Mr. MURRAY. Mr. Chairman, will the gentleman yield?

Mr. GWINN. I yield to the gentleman from Tennessee.

Mr. MURRAY. I should like to ask the gentleman from New York if he agrees with this statement made by President Eisenhower on November 2, 1952, just 2 days before the election, which statement appeared in all the Tennessee newspapers:

If I am elected President, TVA will be operated and maintained at maximum efficiency. I have a keen appreciation of what it has done and what it will be able to continue to do in the future. Under the new administration TVA will continue to serve and promote the prosperity of this great section of the United States.

Does the gentleman agree with that?

Mr. GWINN. I assume, Mr. Chairman, that what the President meant was that since TVA was well advanced, having had spent on it \$1,788,000,000, that it would raise its power rates to a point where it could build its own steam plants and pay its own taxes. TVA is not contributing to the salary of the President or to the salaries of the Congress or the delegation from Tennessee. Its customers, 1,600,000 of them, are not saying anything either in their power bills. We ought to raise the rates so that at least the Tennessee Valley, this black spot on the map that they put out, will pay something toward their own national defense.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. GWINN. Certainly, I yield to the gentleman from West Virginia.

Mr. BAILEY. I should like to remind the gentleman that the financial structure for the proposed St. Lawrence seaway will be an exact replica of what we have in the Tennessee Valley. Is the gentleman going to take the floor when we take up the St. Lawrence seaway and brand it as communistic and socialistic?

Mr. GWINN. I shall, if they lose track of the harbors and rivers and begin to deepen the channels as an excuse to use coal.

Mr. SUTTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

Mr. PHILLIPS. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

(Mr. SUTTON asked and was given permission to revise and extend his remarks.)

Mr. SUTTON. Mr. Chairman, I am sorry that the chairman of the subcommittee deemed advisable to object to my request to proceed for an additional 5 minutes, after such a serious charge has been made against 5 million loyal Americans, against the people of Tennessee and the Tennessee Valley.

Mr. Chairman, I might say as an unrefutable fact Tennessee has been known, since 1796, as the volunteer State of the United States of America. In every war America has ever been in, there have been more volunteers from Tennessee, per thousand of population, than from any other State in the United States. Not only in the Spanish-American War, not only in World War I, not only in World War II, but in Korea also, Tennessee is still known as the volunteer State. Any time America is threatened the State of Tennessee comes to the front with her sons and her daughters. We in Tennessee have never been known as believing in communism or any other type of foreignism. We believe in Americanism.

I venture to say to my good friend from New York that he has more Communists in his district than the entire State of Tennessee, and I also venture to say that he has more sympathizers with communism in his district than the State of Tennessee ever will have.

Mr. Chairman, it is a reflection not only on the speaker who is now addressing you to be classified as one who believes in any form of communism but it is a reflection on the nine members of the Tennessee delegation in this House.

I think I can say without fear of contradiction from any Member of this body that there are no more loyal Americans in the United States of America than the nine Members of the House of Representatives from the State of Tennessee. It is not only a reflection on those nine Members from Tennessee but it is a reflection on every Member of the House of Representatives who since 1933 have voted for TVA.

It is a reflection on your present President, who last November said that TVA was all right. In his statement made in Memphis, Tenn., he embraced the Tennessee Valley Authority. I am sure my friend from New York would say that the President of the United States is against communism. If his statement is true that we in the valley are advocating an agency which believes in communism, he is saying that the President of his own party is embracing communism also.

Let me go further, Mr. Chairman, and say this: The gentleman from New York just does not know what TVA is. I think he has been guided by the chamber of commerce or some private power company. If he would come and see what TVA has meant not just to Tennessee but to the national defense of America, he would not come into the well of this House and make statements such as he made previous to my speaking.

What would have happened, as my friend from Missouri [Mr. CANNON] said,

had we not had TVA and its power in the last war, and in World War II also? What would have happened if we had not had the atomic bomb? If the subcommittee chairman had let me have the additional 5 minutes I requested, I could have gone into the history of the national defense of this country of ours and shown you what a part TVA has played in it.

Mr. GWINN. Mr. Chairman, will the gentleman yield?

Mr. SUTTON. I have but 5 minutes.

Mr. GWINN. I yielded.

Mr. SUTTON. But not to me.

I may say to my good friends that are opposing this \$85 million for TVA that I would like to predict something for you: Within 4 months you will be in here asking this House to give at least \$300 million for TVA, even though you are today trying to cut our throats. If you know anything about national defense at all, and if you know what is going on today, if you will stop and think and consider, you will not be fighting this amendment because you know yourselves it takes 3 years to construct these steam plants. We have never had a power shortage like today, when we are building some super bombs for the defense of the people in your district and mine, in Tennessee and New York. Without building these plants and preparing for the future, you are cutting the national defense of America.

I might say this to the gentleman from New York, that we in Tennessee hate communism.

Mr. WHITTEN. Mr. Chairman, I move to strike out the last word.

(Mr. WHITTEN asked and was given permission to revise and extend his remarks.)

Mr. WHITTEN. Mr. Chairman, it is not always easy to present a subject that has been the subject of as much partisan argument as this one has to get credit for being completely unbiased in analyzing it and presenting it. But, we did have this experience in connection with the TVA. It was quite an issue in the Congress and in the country when it was created. In the 20 years of its existence, there have been many strong leaders in the Republican Party who agreed with the gentleman from New York [Mr. GWINN]. The RECORD of this Congress will clearly show that has been the viewpoint and the attitude of many Republican leaders through the years. In 1952, when we had our presidential campaign, when General Eisenhower, with his great popularity throughout the country was the candidate and the nominee of the Republican Party, it was a natural thing for the people in the Tennessee Valley area and those who believe it necessary to enable the TVA to meet local and national needs to wonder how they would stand with a man elected on the Republican ticket in view of the fact that so many Republican leaders agreed with the attitude of the gentleman from New York [Mr. GWINN]. At that time, they did ask General Eisenhower, Candidate Eisenhower, where he stood on this great activity which is so vital to a great section of the country. At that time, Mr. Eisenhower clearly stated his

position. He stated clearly that he would be for the operation of the TVA at its maximum efficiency and he clearly represented to the people of the area that he would not be a party to the dismemberment of TVA. He made that commitment, and as my colleague said, "He caught the rabbit"—he won the Presidency. But, my friends on the left, let me tell you something. People down there realized then that all they had was the President's own assurance. They recognized then, and they recognize now, that there are 2 or 3 ways to kill the TVA. I am saying to you that the course that this subcommittee started out on with reference to this bill clearly shows that they are headed in the direction of killing TVA notwithstanding the commitment of their own President. One way you can kill anything is to let it strangle on its own growth. This issue of whether we should ever have had TVA or not is beside the point—we have it. Let us see if this administration, through this committee, is now starting out on a policy to abolish the TVA. First, through the activities of the Government, the Atomic Energy Commission in less than 2 years, that is the Federal Government, will be taking fully 50 percent of all of the power produced in that area. There, through the Federal Government, you are taking more and more of the total production of the entire operation. Then, notwithstanding the foreseeable need for more power for the Government and for the natural growth of the needs of the area, the TVA is not authorized to place orders for the additional power generation which we can clearly see will be needed. Remember territorial expansion is not sought nor involved. Now to further strangle the TVA the subcommittee requires TVA, in addition to returning to the Treasury the full amount of money that we have invested in 40 years, says to the TVA that it must start returning to the Treasury each year \$20 million more whether the TVA makes such money or not—even if you have a dry year and water might not be available to generate power. Not only that, but the committee says that transformers and all these other things that are so essential to running a real power utility are going to have to be paid for out of the funds that come into the TVA from power sales. Do you stop there? No. The committee says, "Each year out of your income, even when the Government is taking half of the total power production for atomic energy, you are going to have to run the forestry work, the soil-conservation work, and programs of that nature, which, in the rest of the country, we appropriate money for the Department of Agriculture to perform from your power income. And then, in addition to that, you say in this bill to TVA, in case that does not make you raise your rates to the retailers to destroy a part of the value of TVA as a yardstick—in case that does not force repeal of the TVA by making it necessary to sell or to strangle on the growing need for power, the committee would take off all control on the retail rates charged by the distributors, municipalities, and cooperatives, giving an open invitation for them to finance mu-

municipal programs from power distribution, so they will increase retail rates though such course would not help the Federal Government or the TVA.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. WHITTEN. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

Mr. PHILLIPS. Mr. Chairman, I am sorry. I am under a good deal of pressure. Cannot the gentlemen extend his remarks?

Mr. WHITTEN. Mr. Chairman, may I proceed for 1 additional minute to complete my statement.

Mr. PHILLIPS. Mr. Chairman, I will not object to the gentleman proceeding for 1 additional minute.

Mr. GAVIN. Reserving the right to object, Mr. Chairman, and I will not object, I just wanted to say that yesterday when I asked for an additional minute the gentleman from Tennessee objected, but I will not object.

Mr. WHITTEN. I appreciate the attitude of my good friend. I did want to say this: What this committee did in its recommendation was to take off the limit on what any city could charge at the retail level, and apparently dangled before the cities that "Here is a means for you to finance everything in the city." The effect would be to destroy the yardstick value of TVA. Actually it opens up possible dangerous practices for then cities could have industrial power for practically nothing, and could have brought industries into the area and obtained their operating costs for power distribution from the domestic consumers. Behind it all you can see that the old-age fears of the Valley that the Republican administration will destroy the TVA are being well carried out by the proposed action in this bill, because instead of meeting the issue and abolishing the TVA or selling it, they are taking away half of its power production to meet Government needs. Then they are not making available money to finance the building of the additional units needed to meet such increased loads, they withdraw necessary operating capital and destroy the yardstick value by taking off all control of retail charges. If there is any surer way than that to kill the TVA, I do not know what it is. It is to be hoped these efforts will not succeed, but people should know the facts.

The CHAIRMAN. The time of the gentleman from Mississippi has again expired.

(Mr. JONES of Alabama asked and was given permission to extend his remarks at this point.)

Mr. JONES of Alabama. Mr. Chairman, whatever its intention, the Committee on Appropriations has recommended amendments to the appropriation bill which, if adopted, would in their combined effect, destroy TVA.

They have reduced the appropriations required to add the facilities the system needs to continue giving service to this vital area and suggested that revenues should be used for these expenditures. At the same time they have demanded an increase in the annual dividend—calling it "interest"—required from the

system's revenues, a combined burden which will operate to strip TVA of the cash required for reinvestment in the business or to be held as liquid assets in reserve. If these proposals are adopted, the TVA power system will be required to amortize the power investment provided by appropriations in 40 years, and to pay interest at the same time—a burden that no regulatory commission would permit a private power company to saddle on its consumers. At the same time the owners are intent on starving the system by refusing new capital required.

The committee states that the interest provision "included in this bill is intended to help the Tennessee Valley Authority and stop the increasing amount of criticism that is developing because of its expanding power requirements." In 1948 the same argument was advanced for the so-called amortized requirement. Before that pay-back provision was added as a rider to the appropriation bill by the 80th Congress, TVA was already making payments from power proceeds into the general receipts of the Treasury. Twenty-three million dollars had already been paid in from power proceeds, either to mature bonds or to offset appropriations. But it was contended by sponsors of the payback rider that such payments should be regularized in order to reassure the taxpayers that the money provided by the Federal Treasury for TVA's power facilities would, in fact and under the law, be repaid within a reasonable period. They are being repaid. TVA is about \$10 million ahead of its schedule right now.

Now the committee suggests that the payment of interest in addition to amortization will allay criticism of TVA's expanding power requirements. Yet the provision clearly has failed to persuade the committee itself that funds should be made available for additional power-generating facilities in this vital area. No appropriation to meet the expanding power requirements is recommended by the committee. Instead, the budget approved by the President has been reduced. However benign the committee's intentions may have been, clearly the adoption of its proposals would be calamitous.

WHAT THESE AMENDMENTS WOULD DO TO THE CASH BALANCES

The effect of the committee's action in denying the appropriation request and proposing that funds for essential expenditures be provided from the cash intended to be reserved for contingencies means, in fact, that if average conditions prevail, TVA will begin fiscal year 1956 with a cash-reserve balance of somewhere between \$2 and \$8 million.

TVA had expected, on the basis of the budget estimates of revenue and expenditures, assuming average stream-flow conditions, that the power program would have a cash balance at the end of year 1955, reserved for contingencies, of \$39,920,712—page 2413 of hearings.

It had been expected that the non-power funds available for contingencies would be \$5,897,000—page 2413.

These two items, with the continuing fund of \$1 million provided for in section 26 of the TVA Act, apparently make up the estimate June 30, 1955, balance of corporate funds of \$46,817,712 referred to by the committee in its report.

The recommended use of \$37,618,000 of corporate funds in lieu of appropriations could therefore reduce the year-end balance of power-program funds from \$39,920,712 to \$2,302,712.

To the extent that the nonpower corporate balance, estimated at \$5,897,000, was reduced instead, the balance of power funds might be correspondingly larger than \$2,302,712, but the total could be no larger than \$8,199,712, on the basis of present estimates of revenues and expenditures, even if the nonpower balance were reduced to zero.

THE CASH RESERVE APPROVED BY THE COMMITTEE COMPARED WITH THE PRACTICE OF PRIVATE INDUSTRY

The committee believes that TVA's cash reserve can be safely reduced. But no explanation is given to indicate what type of analysis preceded the committee's decision. The judgment could not have been based on an analysis of the prevailing practice in private business, nor on the experience of TVA, the largest power producer in the United States. In fiscal 1955, the total assets of its power system will be over a billion dollars. A reserve cash balance of \$8 million, the largest possible if the program of additions and replacements anticipated by TVA and approved by the committee is carried out but paid for out of the reserve instead of appropriations, would mean that TVA would have available as liquid assets somewhere in the neighborhood of one-half of 1 percent of its total power assets.

Contrast the situation of the world's largest automobile manufacturer, whose last annual report revealed liquid assets of more than \$300 million, 8 percent of its total assets. The world's largest steel company likewise reported liquid assets of more than \$300 million, about 11 percent of its total assets. The world's largest chemical company had liquid assets of more than \$250 million, 15 percent of total assets. Yet the committee believes that the world's largest power system, owned by the Government of the United States, requires at the most liquid assets of one-half of 1 percent of total assets.

Compare the cash reserve considered adequate for TVA with the reserve maintained by private utility systems in the United States, all smaller than TVA, and all with borrowing powers denied to TVA. Detroit Edison Co. has found it desirable to have liquid assets of as much as \$50 million, 9 percent of total assets, while liquid assets of the Arkansas Power & Light Co. have exceeded 8 percent of total assets.

All these companies can borrow money in the event their cash reserve should prove to be inadequate. TVA has no such power to incur debt. Yet the committee is willing to take the risks involved by reducing TVA's cash balance to one-half of 1 percent of total assets.

The management of TVA could not take that risk. TVA would be obliged to postpone replacements, delay improvements, in order to build up the cash reserve. The system would suffer. Operating costs would rise. Disaster

would result to this great public power system upon which a whole region depends, upon which critical installations for defense must depend for national security.

Mr. Chairman, on Monday I referred

to the assistance the Government is now offering private utilities in the form of tax amortization. The following is a list of the private electric utilities that have been issued tax amortization certificates through September 21, 1953:

Electric power projects approved for tax certificates

Name of applicant	Location and type of facility	Rated capacity (kilowatts)	Amount of application	Amount eligible	Recommended percent	Amount certified for accelerated amortization
ALABAMA						
Alabama Power Co., Birmingham, Ala.	Barry generating station unit No. 1, near Mobile Ala.	125,000	\$22,448,373	\$22,294,837	55	\$12,256,660
Do.	Barry generating station unit No. 2, near Mobile Ala.	125,000	16,094,185	16,094,185	65	10,461,220
Do.	Transmission line to McIntosh, Ala., and construction of a switching station in Washington County, Ala.		276,724	275,480	25	68,870
Do.	Chickasaw plant, 1-unit extension and transmission connections.	40,000	5,771,188	5,765,202	25	1,441,301
Do.	Martin Dam, 1-unit hydro extension.	55,000	2,468,500	2,468,500	50	1,234,250
Do.	Gorgas plant, 2-unit extension and transmission connections.	100,000	24,611,395	12,171,695	25	3,042,924
Do.	Transmission connection to River Junction plant.	100,000		12,439,700	55	6,841,835
Do.	Increased transformer capacity to serve Camp Rucker.		306,695	306,695	50	153,348
Do.			24,153	24,153	65	15,699
Do.	Gorgas steam plant, unit No. 8, Gorgas, Ala.	156,250	24,979,098	24,979,098	35	8,742,684
Alabama total						44,258,791
ARIZONA						
Arizona Edison Co., Inc., Phoenix, Ariz.	Diesel-Electric generating unit at Miami, Ariz.	1,235	164,245	164,245	40	65,698
Arizona Public Service Co., Phoenix, Ariz.	Saguaro steam electric station near Red Rock, Ariz.	90,000	10,900,000	10,900,000	45	4,905,000
Do.	Saguaro steam electric station near Red Rock, Ariz.	90,000	14,000,000	13,950,000	40	5,580,000
Do.	Powerplant at Douglas, Ariz.		176,392	176,392	45	79,376
Do.	Powerplant at Yuma, Arizona.	2,500	316,340	316,340	20	63,268
Do.	Generating equipment at Ajo, Ariz.		98,268	98,268	40	39,307
Do.	Transmission line at Luke Field, north of Litchfield, Ariz.		23,632	23,632	50	11,816
Central Arizona Light & Power Co., Phoenix, Ariz.	Line and substation facilities.		150,000	33,000	40	13,200
Citizens Utilities Co., Greenwich, Conn.	Electric power substation and connecting lines, Santa Cruz County, Ariz.		13,112	84,000	25	21,000
Phelps Dodge Corp., New York, N. Y.	Extension to powerplant building at Morenci, Ariz.	12,500	2,325,000	2,325,000	30	3,934
Arizona total					65	1,511,250
						12,293,849
ARKANSAS						
Arkansas Power & Light Co., Little Rock, Ark.	Microwave system—various locations in eastern and southern Arkansas.		122,000	120,000	65	78,000
Do.	Capacitor installations at Gum Springs, Ark.		249,519	249,519	55	137,235
Do.	Transmission facilities, Arklaoma, South Little Rock, Bull Shoals, Harrison Guy, Heher Springs, Cold Creek.		6,635,000	6,635,000	55	3,649,250
Do.	Cecil Lynch power station, unit No. 3, North Little Rock, Ark.	105,000	12,650,000	12,650,000	55	6,957,500
Do.	Harvey Couch power station unit No. 2, Stamps, Ark.	105,000	12,750,000	12,750,000	65	8,287,500
Arkansas Power & Light Co., Pine Bluff, Ark.	Transmission line from Moses steam station		660,000	660,000	45	297,000
Do.	Transmission and substation facilities, Ingalls, Donnan-Ingalls, Ingalls-Warren, Warren-Pine Bluff, Heher Springs-Newport, Rummel Dam-Jones Mills.		4,160,201	4,160,201	55	2,288,111
Do.	Addition to generating plant, Lake Catherine power station, unit No. 3, Jones Mills, Ark.	90,000	9,300,000	9,300,000	55	5,115,000
Arkansas Power & Light Co.	Transmission line from Jonesboro to Parkin.		561,000	561,000	45	252,450
Do.	Transmission line from Moses steam station to West Memphis.		528,000	528,000	45	237,600
Do.	Installation of capacitor at Jones Mills.	13,000	272,000	272,000	45	122,400
Do.	Hamilton Moses steam electric station (units No. 1 and No. 2).	132,000	13,100,000	12,160,000	45	5,472,000
Do.	Transmission line from Mouticello to Warren, Ark.		200,000	200,000	45	90,000
Do.	Transmission line from Jones Mills to Gurdon.		420,000	420,000	45	189,000
Arkansas total						33,173,046
CALIFORNIA						
California Electric Power Co., Riverside, Calif.	Switchyard at Highgrove steam generating station, San Bernardino County, Calif.		349,950	349,950	35	122,483
Do.	San Bernardino transmission substation, California.		379,695	243,645	35	85,276
Do.	Highgrove-San Bernardino transmission line, California.		147,595	147,595	35	51,658
Do.	Terminal facilities for transmission line from Highgrove powerplant and Valley substation, to San Diego line.		261,585	248,085	35	86,830
Do.	Transmission terminal facilities at Highgrove powerplant.		137,300	137,300	35	48,055
Do.	Substation and facilities Edwards Air Force Base, Kern and San Bernardino Counties.		401,635	383,498	55	210,924
Do.	Highgrove steam electric station, unit No. 3.	40,000	5,568,221	5,568,221	35	1,948,877
Do.	Transmission connections to new Highgrove powerplant.		346,605	346,605	35	121,312
Do.	Panoche substation, San Benito County, Calif.		311,796	311,796	45	140,308
Do.	Transmission connection to pit No. 4 hydroelectric plant, Shasta County, Calif.		2,684,323	2,624,323	45	1,180,945
Do.	San Mateo and Moraga substations facilities.		2,463,660	2,463,660	45	1,108,647
Do.	New hydroplant (plant No. 4), Shasta County, Calif.	85,000	25,171,247	25,171,247	45	11,327,061
Do.	New steam-electric powerplant in central California (location undetermined).	250,000	44,310,600	44,310,600	45	19,939,770
Do.	Moraga substation, Contra Costa County, Calif., additional facilities.		75,000	75,000	20	15,000
Do.	Transmission lines in Kern and San Luis Obispo Counties, Calif.		500,422	500,422	20	100,084

Electric power projects approved for tax certificates—Continued

Name of applicant	Location and type of facility	Rated capacity (kilowatts)	Amount of application	Amount eligible	Recommended percent	Amount certified for accelerated amortization
CALIFORNIA—continued						
California Electric Power Co., Riverside, Calif.	Transmission lines, Williams and Calpella in Colusa and Mendocino Counties, Calif.		\$3,826,827	\$3,826,827	20	\$765,365
Do.	Transmission line from Monte Rio to Gualala in Sonoma and Mendocino Counties, Calif.		666,120	666,120	40	266,448
Do.	Transmission line from San Luis Obispo to Santa Maria, Calif.		504,441	504,441	40	201,776
Do.	Contra Costa steam plant to Maranga, Contra Costa County, Calif.		496,000	496,000	40	198,400
Do.	McCall substation about 12 miles southeast of Fresno County, Fresno, Calif.		1,583,138	1,583,138	40	633,255
Do.	Tesla-Panoche transmission line—San Joaquin, Stanislaus, Merced and Fresno Counties, Calif.		1,146,292	1,146,292	40	458,517
Do.	Transmission line in Monterey and Santa Clara Counties, Calif.		667,000	667,000	40	266,800
Do.	Panoche-McCall transmission line right-of-way, Kings County, Calif.		211,875	211,875	40	84,750
Do.	Transmission line, Bridgeville to Fruitland Junction		181,886	134,021	40	53,608
Do.	Hamilton Field Air Base substation, Marin County, Calif.		59,550	59,550	40	23,820
Do.	Transmission and substation facilities, southeast of San Francisco, Calif.		8,225,208	8,225,208	40	3,290,083
Do.	Transmission line in Humboldt County, Calif.		487,177	339,087	40	135,635
Do.	Tesla substation, San Joaquin County, Calif.		178,394	178,394	40	71,358
Do.	Humboldt substation, Humboldt County, Calif.		429,300	429,300	40	171,720
Do.	Transmission facilities, vicinity Red Bluff, Tehama County, Calif.		67,843	67,843	40	27,137
Do.	San Miguel substation (increase capacity)		51,408	51,408	40	20,563
Do.	Terminal facilities at the Marage substation for Contra Costa plant (6 miles northeast of Oakland in Contra Costa County).		147,731	147,731	20	29,546
Do.	Transmission facilities, Alameda County, Calif.		220,500	220,500	20	44,100
Do.	Contra Costa steam electric, Contra Costa County, Calif.	200,000	28,198,500	28,198,500	55	15,509,175
Do.	Install 2 kilovolt underground circuits between station G, El Cerrito, and the proposed substation at Richmond, Calif.		760,000	760,000	20	152,000
Do.	Transmission facilities to Dow Chemical Co. at Pittsburg, Calif.		282,700	282,700	20	56,540
Do.	Transmission facilities in Humboldt, Trinity, and Shasta Counties, Calif.		5,519,530	5,511,530	40	2,204,612
Do.	Transmission facilities Panoche-Ora Lima substation in San Benito and Fresno Counties, Calif.		634,606	634,606	40	253,842
Do.	Transmission facilities Mountain View, Santa Clara County, Calif.		37,070	37,070	40	14,828
Do.	Mendocino substation, Mendocino County, Calif.		113,588	113,588	20	22,718
Do.	Transmission facilities, Pittsburg to Panoche, Alameda, Contra Costa, Stanislaus and Merced Counties, Calif.		7,273,914	7,273,914	45	3,273,261
Do.	Murphys hydroelectric plant, Calaveras County, Calif.	3,850	1,204,168	1,204,168	35	421,459
Do.	Transmission line, Shasta County, Calif.		265,162	265,162	40	106,065
Do.	Transmission line, Humboldt-Newberg Junction, Humboldt County, Calif.		97,511	97,511	40	39,004
Do.	Cooley Landing substation, East Palo Alto, Calif.		545,118	545,118	40	218,047
Do.	Pittsburg Powerplant, units No. 1 and No. 2, Pittsburg, Calif.	250,000	42,522,751	42,522,751	45	19,135,238
Do.	Pittsburg powerplant units No. 3 and No. 4, Pittsburg, Calif.	250,000	31,999,922	31,999,922	45	14,399,965
Do.	Maraga substation, Contra County, Calif.		175,000	175,000	40	70,000
Do.	Substation and transmission facilities, Fort Ord station, Monterey County, Calif.		134,570	59,570	35	20,850
Do.	Transformer bank at Vaca-Dixon substation, Solano County, Calif.		804,000	804,000	40	321,600
Do.	Transmission line and substation, Ames, Calif.		1,054,204	1,009,204	55	555,062
Do.	Panoche to McCall transmission line, Kings County, Calif.		1,819,000	1,740,584	40	696,234
Do.	Benicia Arsenal and vicinity, Solano County, Calif.; distribution facilities.		41,966	41,966	40	16,786
Do.	Electric distribution system at Fairfield, Solano County, Calif.		48,319	48,319	30	14,496
Do.	Transmission line, Newberg to Bridgeville, Humboldt County, Calif.		272,790	272,790	20	54,558
Do.	Transmission line from Brighton substation to Sacramento, Calif.		129,538	129,538	20	25,908
Do.	Transmission line between Newark and Mabury stations and related equipment at Newark substation, Alameda and Santa Clara Counties.		192,094	192,094	20	38,419
Do.	Transmission line, Panoche-Midway-Kern steam plant, near Bakersfield, Calif.		2,045,221	2,045,221	20	409,044
Do.	Transmission line from Moraga substation to station U, San Leandro, Calif.		2,019,000	2,019,000	20	403,800
Do.	Transmission line from Salisbury station to Mather Heights, Sacramento County, Calif.		81,274	81,274	30	24,382
Do.	Transmission line from Trinidad to Orick, Humboldt County, Calif.		308,699	308,699	20	61,740
Do.	Installation of transformers at Decoto substation, Alameda County, Calif.		24,750	24,750	20	4,950
Do.	Transmission line from Essex Junction to Trinidad, Humboldt County, Calif.		244,272	244,272	20	48,854
Do.	Increase Lathrop substation capacity, San Joaquin County, Calif.		39,595	39,595	20	7,919
Do.	Substation at San Leandro, Calif.		329,700	329,700	25	82,425
Do.	Transmission facilities, Redwood Creek area, Humboldt County, Calif.		228,382	135,642	20	27,128
Pope & Talbot Co., Inc., San Francisco, Calif.	Extension to industrial powerplant	2,500	148,607	148,607	40	59,443
Southern California Edison Co., Los Angeles, Calif.	Transmission line in Los Angeles County, Calif.		95,787	95,787	40	38,315
Do.	Electric distribution facilities, to Northrop Aircraft, Inc., Hawthorne, Los Angeles County, Calif.		28,982	28,982	20	5,796
Do.	Transmission line and facilities to Nigg Corp., Corina, Calif.		31,803	31,803	30	9,541
Do.	Redondo steam-electric station No. 2, Redondo Beach-Los Angeles, Calif.	250,000	43,500,000	19,065,000 24,335,000	30 25	5,719,500 6,083,750

Electric power projects approved for tax certificates—Continued

Name of applicant	Location and type of facility	Rated capacity (kilowatts)	Amount of application	Amount eligible	Recommended percent	Amount certified for accelerated amortization
CALIFORNIA—continued						
Southern California Edison Co., Los Angeles, Calif.	Antelope substation, Los Angeles County, Calif.		\$2,113,517	\$2,091,662	40	\$836,665
Do	Transmission connections to center substation near Los Angeles, Calif.		2,415,208	1,362,755	20	272,551
Do	Etiwanda steam generating station waste-water disposal facilities, Etiwanda, San Bernardino County, Calif.		1,076,000	1,076,000	40	430,400
Do	Etiwanda steam electric station, San Bernardino County, Calif.	100,000	35,500,000	35,182,000	40	14,072,800
Do	Transmission facilities to Edwards Air Force Base, Muroc, Calif.		228,000	228,000	55	125,400
Do	Center substation near Downey, Calif.		5,242,050	5,066,550	20	1,013,310
Do	Line extension and substation near Pomona, Calif.		62,146	62,146	35	21,751
Do	Etiwanda steam station transmission facilities.		2,854,931	2,681,788	40	1,072,715
Do	Oil and gas line facilities for Etiwanda steam station, Etiwanda, San Bernardino City, Calif.		2,560,000	2,525,000	40	1,010,000
Do	Transmission line from Chino substation to Ganesha substation.		93,864	93,864	40	37,546
Do	Laguna Bell substation facilities.		4,196,296	2,926,788	40	1,170,715
California total						133,901,218
COLORADO						
Frontier Power Co., Trinidad, Colo.	Transmission lines, Las Animas and Huerfano Counties, Colo.		439,655	439,655	45	197,845
Public Service Co. of Colorado, Denver, Colo.	Lacombe steam-electric station unit No. 2, Denver Colo.	60,000	10,897,000	10,897,000	45	4,903,650
Do	Alamosa electric powerplant—addition—unit No. 6, Alamosa, Colo.	7,500	1,782,376	1,782,376	55	980,307
Do	Steam electric stations at Arapahoe and Grand Junction.	127,500	25,519,643	15,104,382	25	3,776,096
Colorado total						9,857,898
CONNECTICUT						
Connecticut Light & Power Co., Hartford, Conn.	Extension to existing Mottville station, Uncasville, Conn.	75,000	17,300,000	17,300,000	40	6,920,000
Do	Thompsonville gas turbine electric plant, Thompsonville, Conn.	10,000	2,875,600	2,864,600	50	1,432,300
Do	Construction of new gas turbine electric plant, Danielson, Conn.	10,000	2,822,450	2,822,450	45	1,270,103
Do	Willimantic-Rockville 69-kilovolt transmission line.		349,572	349,572	25	87,393
Do	Devon-Norwalk transmission line.		1,269,125	948,125	25	237,031
Do	Montville-New Britain transmission line.		1,800,000	1,797,161	25	449,290
Connecticut Power Co., Hartford, Conn.	Transmission line, Berlin to New Britain, Conn.		355,000	293,122	45	131,905
Do	Transmission facilities, Middlesex and Hartford Counties.		2,495,000	2,495,000	55	1,372,250
Derby Gas & Electric Co., Derby, Conn.	Housatonic steam electric station, Derby, Conn.		763,942	763,942	20	152,788
Electric Power, Inc., Hartford, Conn.	Shepaug hydroelectric generating station, Southbury, Conn.	36,000	13,643,000	13,015,000	30	3,904,500
Hartford Electric Light Co., Hartford, Conn.	New steam electric generating station, Laurel steam electric station, Middletown, Conn.	60,000	14,500,000	14,500,000	55	7,975,000
United Illuminating Co., New Haven, Conn.	Transmission facilities to United Aircraft Corp., north of New Haven, Conn.		470,000	466,500	20	93,300
Do	Extension to English steam electric station, unit No. 8 510 Grand Ave., New Haven, Conn.	30,000	8,500,000	8,482,000	55	4,665,100
Connecticut total						28,690,960
DELAWARE						
Delaware Power & Light Co., Wilmington, Del.	Transmission and generation facilities, Edge Moore generating station, unit No. 3, New Castle County, Del.	60,000	12,650,000	11,910,000	45	5,359,500
Delaware total						5,359,500
DISTRICT OF COLUMBIA						
Potomac Electric Power Co., Washington, D. C.	Extension of power station, Washington, D. C.	25,000	9,000,000	9,000,000	60	5,400,000
District of Columbia total						5,400,000
FLORIDA						
Florida Power & Light Co., Miami, Fla.	Riviera steam electric station, Palm Beach County, Fla.	60,000	9,340,000	9,340,000	50	4,670,000
Do	Installation unit No. 4 at Cutler steam electric station, Cutler, Fla.	60,000	8,884,000	8,801,564	45	3,960,704
Do	Cutler steam electric station, unit No. 5 with transmission facilities (about 12 miles south of Miami, Fla.)	60,000	11,000,000	11,000,000	40	4,400,000
Florida Power Corp., St. Petersburg, Fla.	Extension to Avon Park steam electrical station, Avon Park, Fla.	40,000	6,365,820	6,289,820	30	1,886,946
Do	New Suwannee River plant, Suwannee, Fla.	30,000	5,535,000	5,510,000	30	1,653,000
Do	Transmission facilities, Higgins plant, Fort Mead-Lake Wales area.		1,768,200	1,768,200	30	530,460
Do	Extension to Higgins steam electric station, Oldsmar, Fla.	80,000	12,559,000	12,559,000	35	4,395,650
Do	New Higgins steam electric station, Oldsmar, Fla.		7,011,805	6,994,229	20	1,398,846
Do	Transmission facilities, Jasper-Quincy line; will connect with the new Suwannee plant, Florida.		868,478	868,478	20	173,696
Gulf Power Co., Pensacola, Fla.	Pensacola plant, 1 unit extension and transmission connections.	30,000	4,837,682	4,819,682	50	2,409,841
Do	River Junction plant, new 2-unit plant and transmission connections.	{ 40,000 60,000 }	{ 15,156,012 15,156,012 }	{ 10,272,082 4,883,930 }	{ 55 65 }	{ 5,649,645 3,174,555 }
Florida total						34,303,343

Electric power projects approved for tax certificates—Continued

Name of applicant	Location and type of facility	Rated capacity (kilowatts)	Amount of application	Amount eligible	Recommended percent	Amount certified for accelerated amortization
GEORGIA						
Georgia Power Co., Atlanta, Ga.	Lockheed Aircraft substation, Marietta, Ga.		\$203,486	\$203,486	40	\$81,394
Do	Transmission line near Augusta, Ga.		579,371	579,371	55	314,654
Do	Extension to Hammond generating station, unit No. 3. Transmission connections and substation reinforcements.	100,000	15,990,588	15,885,588	65	10,325,632
Do	Hammond steam plant, unit No. 1, Rome, Ga.	109,000	15,765,220	15,549,220	55	8,552,071
Do	Hammond generating station, unit No. 2, Rome, Ga.	100,000	12,967,000	12,967,000	55	7,131,850
Do	Bartlett's Ferry, 1-unit hydroextension and transmission connections.	20,000	1,460,000	1,460,000	25	365,000
Do	Yates plant, 1-unit extension and transmission connections.	100,000	12,143,673	12,143,673	50	6,071,837
Do	Plant McManus, new 1-unit plant and transmission connections.	40,000	7,748,277	7,564,677	50	3,782,339
Do	Furman Shoals, 2-unit hydroplant and transmission connections.	45,000	16,764,800	15,286,800	50	7,643,400
Do	Transmission reinforcement, Macon-Eastman-Vidalia.		1,255,544	630,544	25	157,636
Do	Transmission reinforcement, Commerce-Athens, Warrenton.		1,316,291	1,316,291	25	329,073
Do	Transmission reinforcement and connection to River Junction plant.		838,620	1,742,967	50	371,484
Do	Extension of existing hydroelectric plant with generating units and accessories at Goat Rock Dam, near Columbus, Ga.	10,000	931,000	931,000	35	325,850
Georgia Power & Light Co., Atlanta, Ga.	Transmission facilities, Jasper-Wayercross from Florida-Georgia State line to Wayercross, Ga.		875,000	706,829	30	212,049
Florida Power Corp., St. Petersburg, Fla.	Jasper-Wayercross transmission line, from Jasper to Georgia State line, Wayercross, Ga.		83,500	83,500	30	25,050
Georgia total						45,693,319
IDAHO						
Idaho Power Co., Boise, Idaho	Hydroelectric power development, Snake River, transmission lines and terminal facilities.	{ 27,500 27,500 27,500 }	21,109,010	20,047,610	50	10,023,805
Do	Transmission line from American Falls, Idaho, to Don substation near Pocatello, Idaho.		832,642	832,642	25	208,161
Do	Don substation, Pocatello, Idaho.		899,405	725,915	25	181,479
Do	Don substation, Pocatello, Idaho, transformer banks.		1,034,000	1,034,000	40	413,600
Utah Power & Light Co., Salt Lake City, Utah	Substation at Goshen, Idaho.		129,640	129,640	35	45,374
Do	Transmission line and facilities, Goshen-Scoville, Idaho.		565,529	282,765	35	98,968
Idaho total						10,971,387
ILLINOIS						
Central Illinois Light Co., Peoria, Ill.	Transmission line and substations, De Kalb, Ill.		345,000	205,000	30	61,500
Do	Wallace steam electric station and transmission lines.	60,000	12,079,796	8,334,246	25	2,083,562
Do	Transmission line, Peoria to Springfield, Ill.		744,000	744,000	45	334,800
Do	Transmission and substation facilities, northeast Peoria.		225,000	200,000	45	90,000
Central Illinois Electric & Gas Co., Rockford, Ill.	Sabrooke generating station, unit No. 3.	30,000	6,600,000	6,600,000	55	3,630,000
Do	Transmission loop for serving city of Rockford.		1,711,100	1,271,900	55	699,545
Central Illinois Public Service Co., Springfield, Ill.	Transmission line to Joppa powerplant, Joppa, Ill., and additions to substation at West Frankfort, Ill.		3,100,238	3,100,238	55	1,705,131
Commonwealth Edison Co., Chicago, Ill.	Substation and underground service extension to chemical plant.		201,000	201,000	35	70,350
Do	Underground service extension to munitions plant.		245,000	245,000	35	85,750
Illinois Power Co., Decatur, Ill.	Hennepin steam-electric station, unit No. 1, near Hennepin, Ill., Putnam County.	60,000	16,773,000	16,538,000	35	5,788,300
Do	Addition to Wood River steam-electric station, unit No. 4, Madison County, Ill., near city of Wood River.	90,000	15,784,800	15,784,800	35	5,524,680
Do	Transmission connections to West Frankfort, Ill.		2,301,300	2,301,300	55	1,265,715
Public Service Co. of Northern Illinois, Chicago, Ill.	Transmission line, Waukegan to Wisconsin boundary.		525,000	525,000	65	341,250
Do	Transmission line and substation at Sterling, Ill.		1,200,000	1,160,000	45	522,000
Union Electric Power Co., St. Louis, Mo.	Transmission facilities, Roxana, Ill.		160,789	117,446	40	46,978
Do	Transmission facilities, East St. Louis, West Frankfort, Ill.		5,670,344	5,670,344	55	3,118,689
Illinois total						25,368,250
INDIANA						
Indiana and Michigan Electric Co., Fort Wayne, Ind.	Transmission line, Twin Branch, South Bend, Ind.		611,179	661,179	25	165,295
Do	Tanners Creek No. 1, Indiana new steam electric generating plant and connecting transmission line.	150,000	21,034,840	20,928,340	25	5,232,085
Do	Tanners Creek No. 2, Indiana; extension to steam electric generating plant and connecting transmission line.	150,000	17,468,691	17,468,691	45	7,860,911
Do	Transmission line and substations, Union City, Dunkirk, Ind.		1,753,840	1,748,840	45	786,978
Indiana & Michigan Electric Co., care of American Gas & Electric Service Corp., New York, N. Y.	Substations at Marion, Anderson, and Muncie, Ind.		270,750	270,750	55	148,913
Do	Transmission lines, Anderson, Ind.		110,770	110,770	30	33,231
Indiana & Michigan Electric Co., New York, N. Y.	Tanners Creek steam plant, unit No. 3, near Lawrenceburg, Ind., to vicinity of Fort Wayne, Ind., to vicinity of East Dunkirk, Ind.	200,000	41,899,000	41,869,000	45	18,841,050
Indiana & Michigan Electric Co., in care of Am. Gas & Electric Service Corp., New York, N. Y.	Transmission facilities, Marion, Ind.		179,485	179,485	35	62,820
Do	Transmission facilities, Fort Wayne, Ind.		76,100	76,100	35	26,625
Do	Transmission facilities, near LaPorte, Ind.		237,846	182,503	55	100,377
Indianapolis Power & Light Co., Indianapolis, Ind.	New speedway substation west of Indianapolis, Ind.		508,715	508,715	55	279,793
Do	Addition to existing White River generating plant, Morgan County, 25 miles southwest of Indianapolis (unit No. 4).	60,000	8,287,977	7,900,761	55	4,345,419
Do	Addition to existing White River generating plant, Morgan County, 25 miles southwest of Indianapolis (unit No. 5).	60,000	10,458,304	9,992,519	55	5,495,885

1 Amended from \$838,620.

Electric power projects approved for tax certificates—Continued

Name of applicant	Location and type of facility	Rated capacity (kilowatts)	Amount of application	Amount eligible	Recommended percent	Amount certified for accelerated amortization
INDIANA—continued						
Northern Indiana Public Service Co., Hammond, Ind.	Transmission and substation installations near La Porte, Ind.		\$1,396,300	\$1,133,900	30	\$340,170
Do	Substation enlargement, East Chicago, Ind.		89,636	52,261	20	10,452
Do	Transmission facilities to serve American Cyanamid Co., northeast of Michigan City, Ind.		78,505	64,775	35	22,671
Do	Substation and transmission facilities, Indiana Harbor, Ind.		209,305	209,305	35	73,257
Public Service Co. of Indiana, Inc., Plainfield, Ind.	Wabash River power station, approximately 6 miles north of West Terre Haute, Ind., on Wabash River.	180,000	28,829,500	28,829,500	30	8,648,850
Do	Transmission facilities, Wabash River station to Kokomo—substation at Kokomo, addition to existing Highland substation, Wabash River station to Columbus—substation at Columbus.		9,679,570	9,658,370	30	2,897,511
Do	Extension of Wabash River station north of West Terre Haute, Ind.	180,000	24,879,000	24,879,000	40	9,951,600
Do	Wabash River power station No. 5, 6 miles north of West Terre Haute, Ind.	125,000	17,000,000	17,000,000	40	6,800,000
Do	Transmission substation at Kokomo and Columbus, Ind.		1,702,500	1,702,500	40	681,000
Do	Transmission and substation facilities connecting Wabash River generating station to system at Lafayette, Kokomo, and Columbus, Ind.		5,666,800	5,666,800	40	2,266,720
Southern Indiana Gas & Electric Co., Evansville, Ind.	Read St. substation for new defense loads, Evansville, Ind.		454,000	422,652	30	126,796
Do	Culley generating station 14 miles east of Evansville, Ind., on Ohio River.	40,000	10,552,500	10,443,500	45	4,699,575
Do	Transmission line, Evansville to Oakland, Ind.		1,322,000	1,294,500	35	453,075
Indiana total						80,351,069
IOWA						
Iowa Electric Light & Power Co., Cedar Rapids, Iowa.	Steam electric generating station, Marshalltown power station, Marshalltown, Iowa.	30,000	7,776,782	7,761,162	55	4,268,639
Iowa Power & Light Co., Des Moines, Iowa.	Des Moines power station No. 2 (steam electric generating station), Des Moines, Iowa.	66,000	9,776,900	9,769,301	50	4,884,651
Do	Council Bluffs power station, Council Bluffs, Iowa.	44,000	9,362,900	9,352,850	50	4,676,425
Iowa Public Service Co., Sioux City, Iowa.	Hawkeye steam electric generating station, unit No. 2 at Storm Lake, Iowa.	11,500	2,700,000	2,700,000	55	1,485,000
Do	Transmission line and substations, Sioux City to Fort Dodge.		4,435,282	4,425,282	55	2,433,905
Iowa Southern Utilities Co., Centerville, Iowa.	Bridgeport steam electric station units Nos. 1 and 2.	40,000	8,926,000	4,117,134 4,747,966	50 30	2,058,567 1,424,390
Iowa total						21,231,577
KANSAS						
Central Kansas Power Co., Abilene, Kans.	Hill City steam electric generating station, Hill City, Kans.	11,500	1,906,776	1,900,852	50	950,426
Do	Transmission line, Hill City, Hays, Kans.		474,734	474,734	50	237,367
The Empire District Electric Co., Joplin, Mo.	Riverton unit No. 8, Riverton, Kans.	40,000	6,961,000	6,961,000	40	2,784,400
Kansas Gas & Electric Co., Wichita, Kans.	Murray Gill steam plant.	40,000	8,306,686	8,036,000	40	3,214,400
Do	Murray Gill steam electric unit No. 2—and transmission facilities—6 miles southwest of city of Wichita, Kans.	60,000	8,785,000	8,605,000	55	4,732,750
Do	Neosho steam generating electric station, No. 3 unit, Parsons, Kans.	60,000	10,981,000	10,969,200	65	7,129,980
The Kansas Power & Light Co., Topeka, Kans.	Lawrence steam electric station, unit No. 2, Lawrence, Kans.	30,000	5,500,353	5,425,000	55	2,983,750
Lion Oil Co., El Dorado, Kans.	Power installation at Chemical plant near El Dorado, Kans.	3,000	260,065	260,065	55	143,036
Western Light & Telephone Co., Inc., Kansas City, Kans.	Steam electric generating station, Heiser, Kans., initial unit.	15,000	3,517,000	3,495,000	55	1,922,250
Do	Smith Center-Medicine Lodge, Kans., transmission line and associate substations.		2,020,288	2,020,288	55	1,111,158
Kansas total						25,209,517
KENTUCKY						
Kentucky Utilities Co., Lexington, Ky.	Green River Steel Corp., 3 miles east of Owensboro, Ky., transmission facilities.		1,024,476	1,024,476	40	409,790
Do	Transmission connections, Green River powerplant at Paducah.		2,452,578	2,442,578	55	1,343,418
Do	Green River powerplant, unit No. 3, Muhlenburg County, Ky.		9,497,000	9,497,000	45	4,273,650
Kentucky & West Virginia Power Co. (American Gas & Electric Service Corp.), New York, N. Y.	Transmission line, Bellefonte, Ky., and thence to Ohio State line.		672,420	607,420	40	242,968
Do	Transmission facilities at and between Hazard, Perry County, and Leslie substation, Leslie County, Ky.		216,615	216,615	20	43,323
Kentucky total						6,313,149
LOUISIANA						
Central Louisiana Electric Co., Alexandria, La.	St. Landry generating addition and substation.	40,000	7,069,018	3,200,560	40	1,280,224
Do	Teche generating station and transmission line, Alexandria Army Base.			3,286,500	55	1,807,575
Do	Transmission line, St. Landry.			511,700	20	102,340
Do	Transmission line, Bayou Sale, La.			27,500	25	6,875
Do	Gas pipeline to supply Teche No. 1 steam-generating unit at Baldwin, La.		246,000	246,000	55	135,300
Do	Transmission line, St. Landry-Baldwin; stepup substation at Baldwin steam electric station, transmission line, Shady-Oaks-Beaver Creek.		1,069,000	823,550	55	452,953
Gulf States Utilities Co., Beaumont, Tex.	Transmission and substation facilities, Erath, La.		216,100	216,100	20	43,220
Do	Transmission facilities near Lake Charles, La.		202,100	202,100	40	80,840
Do	Louisiana power station, units 2A and 3A, Baton Rouge, La.	80,000	16,500,000	16,500,000	65	10,725,000
Do	Transmission facilities from Scott, to Eunice, La., and substation at Nelson general plant.		600,000	598,000	55	328,900

Electric power projects approved for tax certificates—Continued

Name of applicant	Location and type of facility	Rated capacity (kilowatts)	Amount of application	Amount eligible	Recommended percent	Amount certified for accelerated amortization
LOUISIANA—continued						
Gulf States Utilities Co., Beaumont, Tex.	Nelson power station unit No. 1, Scott, La.	60,000	\$10,000,000	\$9,940,000	65	\$6,461,000
Do.	Transmission facilities from Plaquemine, La., to Port Allen, La.		1,000,000	999,500	55	549,725
Do.	Transmission facilities, Lake Charles, La.		50,800	50,800	45	22,860
Do.	Addition of 2 bays in Riverside substation, Lake Charles, La.		598,000	598,000	45	269,100
Do.	Louisiana power station unit No. 9, Baton Rouge, La.	60,000	8,500,000	8,500,000	55	4,675,000
Louisiana Power & Light Co., New Orleans, La.	Transmission facilities between Raceland, La., and Plaquemine, La.		845,002	735,720	45	331,074
Do.	Churchill-Luling and Churchill-Westwego transmission lines (Louisiana).		362,600	362,600	55	199,430
Do.	Transmission lines: Minden, La., to Arkansas State line, Minden, La., to station E, and standard to Winnfield.		508,960	485,388	55	266,963
Do.	Substation and transformer at Beaver Creek, La.		202,000	202,000	55	111,100
Do.	Ninemile Point power station unit No. 2, New Orleans, La.	90,000	9,900,000	9,900,000	55	5,445,000
Do.	Transmission lines and substations from Sterlington power station to Minden, La.		1,322,500	1,114,579	55	613,018
Do.	Transmission facilities, Ninemile power station to Snake Farm substation, New Orleans, La., and switching structure at Snake Farm.		741,000	711,430	55	391,287
Do.	Ninemile Point steam electric station-steam electric generating plant.	60,000	8,123,633	7,936,955	45	3,571,630
Louisiana total.						37,870,414
MAINE						
Central Maine Power Co., Augusta, Maine.	Oil storage at Mason powerplant.	10,000	1,604,100	151,324	25	37,831
Do.	Transmission line from Mason station, Wiscasset, Maine, to Moshers substation, Gorham, Maine, and substation facilities.		1,184,235	1,184,235	55	651,329
Do.	Indian Pond hydrodevelopment substation and transmission line on upper Kennebec River in Chase Stream and Indian Pond Townships, Maine.	45,000	17,101,187	16,540,600	45	7,443,270
Do.	Mason steam electric station Wiscasset, Maine, units Nos. 3 and 4.	60,000	8,701,791 4,179,700	8,701,791 4,179,700	40 55	3,480,716 2,298,835
Maine total.						13,911,981
MARYLAND						
Consolidated Gas & Electric Light & Power Co., Baltimore, Md.	Electric generating station, Riverside generating plant, Turner, Md.	75,000	10,318,751	10,255,113	20	2,051,023
Do.	Substation addition.		49,738	49,738	20	9,948
Do.	Reinforcement of existing 110 kilovolt.		5,075,807	4,613,857	20	922,771
Do.	Gould St. steam electric station, Gould St., Baltimore, Md.	100,000	13,907,039	13,907,039	35	4,867,464
Do.	Construction of Harford substation near Aberdeen, Md.		905,000	905,000	30	271,500
Do.	Reinforcement of underground circuits between Westport and south Baltimore substations.		79,008	74,290	20	14,858
Do.	Riverside steam electric station, Turner 22, Maryland (extension to).	75,000	14,525,000	14,480,550	40	5,792,220
Do.	Herbert A. Wagner steam electric station, Stony Creek Rd., Anne Arundel County, Md., 1st unit.	125,000	24,465,000	24,465,000	45	11,009,250
Potomac Edison Co., Frederick, Md.	Transmission line from Williamsport, Md., to West Virginia State line.		18,730	18,730	20	3,746
Do.	Transmission facilities to Fairchild Aircraft Division plant 1, Hagerstown, Md.		39,715	39,715	25	9,929
Do.	Transmission line from Williamsport to Reid, Md.		489,050	484,050	25	121,013
Maryland total.						25,073,722
MASSACHUSETTS						
Boston Edison Co., Boston, Mass.	Transmission line, Braintree to Walpole and substation extension at Weymouth, Mass.		1,021,940	1,021,940	35	357,679
Do.	Transmission line, Braintree to Whitman, Mass.		301,344	301,344	30	90,403
Do.	Transmission facilities, Massachusetts, Middlesex County, Woburn, Burlington, Lexington, and Waltham.		532,300	532,300	30	159,690
Do.	Extension to existing Edgar generating station No. 75, North Weymouth, Mass.	81,250	16,613,400	16,613,400	35	5,814,690
Do.	Substation facilities at West Medway, Mass.		268,000	238,770	30	71,631
Do.	Substation and transmission facilities, Edgar station and Edgar station to Walpole substation, Massachusetts, Norfolk County.		3,626,100	3,626,100	30	1,087,830
Do.	Extension to Edgar steam electric station No. 75, North Weymouth, Mass.	81,250	14,100,000	14,100,000	30	4,230,000
Western Massachusetts Electric Co., Greenfield, Mass.	West Springfield station, West Springfield, Mass.	40,000	7,257,545	7,257,545	40	2,903,018
Massachusetts total.						14,714,941
MICHIGAN						
Consumers Power Co., Jackson, Mich.	Justin R. Whiting powerplant and transmission facilities on Lake Erie.	106,000	17,275,000	17,275,000	40	6,910,000
Do.	Dort transmission substation, north of Flint, Mich.		492,600	430,500	20	86,100
Do.	Justin R. Whiting powerplant and transmission lines, Lake Erie.	170,000	31,095,000	31,086,000	35	10,880,100
Do.	Construction at Hemphill substation to serve power to Chevrolet motors division at Flint, Mich.		192,700	165,739	40	66,296
Do.	Transmission facilities, Flint, Mich. (Genesee County).		62,400	62,400	40	24,960
Consumers Power Co., West Jackson, Mich.	Power supply to Corboly department of General Electric Co. at Edmore, Mich., transmission facilities.		200,822	191,902	35	67,166

1 Units 1 and 2 85,000 each.

Electric power projects approved for tax certificates—Continued

Name of applicant	Location and type of facility	Rated capacity (kilowatts)	Amount of application	Amount eligible	Recommended percent	Amount certified for accelerated amortization
MICHIGAN—continued						
Consumers Power Co., Jackson, Mich.	Substation at Continental Motors and supplying transmission line in Mushkegan, Mich.		\$117,191	117,191	\$30	\$35,157
Do.	Installation of circuit breakers and metering equipment, Flint, Mich.		60,000	60,000	30	18,000
Do.	Transmission facilities, Adrian-Beecher substation, Adrian, Mich.		565,000	565,000	40	226,000
Do.	Transmission line, Flint, Mich.		505,600	505,600	30	151,680
Do.	Transmission facilities, Pontiac, Mich.		320,000	320,000	25	80,000
Do.	Transmission facilities, Edmore, Mich.		34,993	34,993	30	10,493
Do.	Powerplant extension, John C. Weadock plant, unit No. 7, Bay County, Mich.	135,000	27,838,559	27,838,559	35	9,743,496
Do.	Floodlighting equipment at 4 principal generating stations, B. O. Cobb plant, Muskegon, Mich.; B. E. Morrow plant, Kalamazoo, Saginaw River plant, Saginaw and J. C. Weadock plant, Essexville, Mich.		44,900	44,900	55	24,695
Do.	Transmission facilities, Adrian, Mich.		75,000	75,000	20	15,000
Detroit Edison Co., Detroit, Mich.	St. Clair powerplant unit No. 4, East China Township, St. Clair County, Mich.	125,000	33,450,000	33,450,000	35	11,707,500
Do.	Connors Creek No. 15 and No. 16	200,000	42,798,750	42,798,750	25	10,699,688
Do.	St. Clair No. 1	125,000	39,040,600	39,040,600	45	17,568,270
Do.	St. Clair No. 2	125,000	20,448,550	20,448,550	65	13,291,558
Do.	St. Clair No. 3	125,000	18,867,450	18,867,450	65	12,263,843
Dow Chemical Co., Midland, Mich.	Steam electric plant at Midland	30,000	9,905,000	9,905,000	50	4,952,500
Ford Motor Co., Dearborn, Mich.	Ford powerhouse No. 1		435,000	463,238	65	301,105
Indiana & Michigan Electric Co., care of American Gas & Electric Service Corp., New York, N. Y.	Transmission lines and facilities in the Sturgis-Niles area, Pokagon, Mich.		601,102	601,102	40	240,441
Do.	Hickory Creek substation, 2½ miles south of St. Joseph, Mich.		598,507	594,757	40	237,903
Lake Superior District Power Co.	Substation and transmission facilities, Ironwood, Mich.		473,000	437,545	40	175,018
Michigan Gas & Electric Co., Three Rivers, Mich.	Substation at Cassopolis, Mich.		72,173	72,173	20	14,435
Upper Peninsula Power Co., Houghton, Mich.	Transmission and associated facilities, Ontonagon County, Mich.		261,884	136,290	55	74,960
Wisconsin Michigan Power Co., Milwaukee, Wis.	Lower Paint Dam hydroelectric station, approximately 7 miles southeast of Crystal Falls, Mich.	100	487,820	487,820	35	170,737
Do.	Hemlock Falls hydroelectric station on the Michigamme River, Iron County, Mich.	2,800	976,040	976,040	40	390,416
Do.	Michigamme Falls hydroelectric station on the Michigamme River, Iron County, Mich.	4,800	2,064,100	2,064,100	40	825,640
Michigan total						101,253,162
MINNESOTA						
Minnesota Power & Light Co., Duluth, Minn.	Aurora steam electric station units Nos. 1 and 2, transmission facilities.	44,000	13,703,000	13,703,000	55	7,536,650
Do.	Extension to steam electric station (M. L. Hibbard, unit No. 4).	33,000	4,350,000	3,955,000	35	1,384,250
Northern States Power Co., Minneapolis, Minn.	Minnesota Valley steam plant, unit No. 3, Granite Falls, Minn.	40,000	7,926,600	7,926,600	40	3,170,640
Do.	Coon Rapids to St. Cloud, Minn., transmission line		904,500	904,500	40	361,800
Do.	Black Dog steam electric station, unit No. 3, Nicols, Minn.	90,000	13,495,000	13,495,000	40	5,398,000
Do.	Steam electric station, Black Dog No. 1 (6 miles south of Minneapolis).	50,000	9,673,400	9,673,400	40	3,869,360
Do.	Transmission line, Granite Falls, Minn., to Sioux Falls, S. Dak.		2,271,950	2,203,220	40	881,283
Do.	Extension to power station, Mankato, Minn.	12,500	1,662,350	1,662,350	25	415,583
Do.	Transmission line, Black Dog-Minnesota Valley, Nicols, Minn.		3,741,250	3,741,250	40	1,496,500
Do.	Extension to steam-generating plant, Black Dog steam electric station, unit 2, Nicols, Minn.	90,000	14,518,000	14,518,000	40	5,807,200
Minnesota total						30,321,276
MISSISSIPPI						
Mississippi Power & Light Co., Jackson, Miss.	Generating station at Natchez, Miss.	60,000	7,622,123	7,587,123	45	3,414,205
Do.	Microwave system, various locations in western Mississippi.		180,000	160,000	65	104,000
Do.	Delta power station, units Nos. 1 and 2, Cleveland, Miss.	200,000	23,545,000	23,265,000	55	12,795,750
Do.	Generating plant, Rex Brown steam electric station, unit No. 3.	60,000	6,244,435	6,156,935	45	2,770,621
Do.	Transmission line from Rex Brown steam electric station, Jackson, Miss., to Grenada.		1,942,500	1,930,000	45	868,500
Do.	Supervisory control facilities at Tunica, Batesville, and Winona, Miss. substations.		81,600	81,600	30	24,480
Mississippi Power Co., Gulfport, Miss.	Transmission line, Collins, Magee, Miss.		284,500	281,500	55	154,825
Do.	Transmission facilities from Alabama-Mississippi State line to Lucedale, southeast Mississippi.		535,000	535,000	55	294,250
Do.	Transmission facilities Biloxi, Miss.		422,690	422,690	45	190,211
Do.	Sweatt plant, new 2-unit plant and transmission connections.	40,000	11,696,000	6,060,000	25	1,515,000
Do.	Tie-in substation between 100 kilovolt transmission systems, primarily for Biloxi Air Base.	40,000	465,947	5,596,000	65	3,637,400
Do.				461,007	25	115,252
Mississippi total						25,884,494
MISSOURI						
Arkansas-Missouri Power Co., Blytheville, Ark.	Transmission line, Potosi and Troutt, Mo.		72,201	72,201	30	21,660
Do.	Transmission facilities Washington County, Mo.		138,855	138,855	35	48,599
Kansas City Power & Light Co., Kansas City, Mo.	Hawthorn steam-electric station unit No. 3, Kansas City, Mo.	90,000	13,700,000	13,700,000	55	7,535,000
Missouri Public Service Co., Warrenburg, Mo.	Pleasant Hill steam electric station unit No. 1	24,500	3,240,000	3,240,000	45	1,458,000
Union Electric Co. of Missouri, St. Louis, Mo.	Metering equipment at Moberly substation, Moberly, Mo.		66,143	66,143	50	33,072
Do.	Venice-Mound underground transmission circuit (with terminal facilities at Mounds plant).		208,218	208,218	55	114,520

* 40,000 excluded for land in fee.

Electric power projects approved for tax certificates—Continued

Name of applicant	Location and type of facility	Rated capacity (kilowatts)	Amount of application	Amount eligible	Recommended percent	Amount certified for accelerated amortization
MISSOURI—continued						
Union Electric Co., of Missouri, St. Louis, Mo.	Keokuk-Page Ave. transmission line, from St. Louis to Keokuk, Iowa (Missouri portion).		\$172,885	\$172,885	55	\$95,087
Do.	Electric substation, Washington County, Mo.		365,500	364,500	35	127,575
Do.	Meramec steam electric station unit No. 1, St. Louis County.	110,000	23,875,000	23,735,015	50	11,867,508
Do.	Meramec plant unit No. 2, St. Louis County.	110,000	18,132,700	16,155,363	55	8,885,450
Do.	Osage substation to provide power supply to Moberly, Mo.		993,750	919,690	50	459,845
Do.	Transmission line, Meramec to Cahokia, Watson line.		843,250	808,250	50	404,125
Do.	Transmission line, Meramec Rivermines substation.		1,374,900	1,324,900	50	662,450
Do.	Osage-Moberly transmission line, to connect with system of Kansas City Power & Light Co.		2,137,000	2,035,800	50	1,017,900
Do.	Osage hydroelectric station units 7 and 8, St. Louis, Mo.	45,000	3,891,300	3,711,300	55	2,041,215
Do.	Venice-Mound underground transmission circuit (from Venice powerplant to Mississippi River) with terminal facilities at Venice plant.		59,085	59,085	55	32,497
Do.	Keokuk-Page Ave. (St. Louis) transmission line (conversion of 1 circuit of the double circuit). (From Hamilton to Keokuk.)		640,650	640,650	55	352,353
Missouri total.						35,156,861
MONTANA						
Montana Power Co., Butte, Mont.	Frank Bird steam electric station near Billings, Mont.	60,000	5,444,630	5,410,000	25	1,352,500
Montana total.						1,352,500
NEW HAMPSHIRE						
Public Service Co. of New Hampshire, Manchester, N. H.	Extension to Schiller generating station, Portsmouth, N. H.	80,000	8,505,497	8,457,737	45	3,805,982
Do.	Transmission facilities.		749,105	749,105	20	149,821
Do.	Transmission and substation facilities, State of New Hampshire, Schiller substation and Gregg Falls substation.		1,289,984	112,109	25	28,027
Do.	Schiller station in Portsmouth, N. H., transmission line to Bow with substations at Portsmouth and Bow.	40,000	9,076,200	9,076,200	45	4,084,290
New Hampshire total.						8,667,764
NEW JERSEY						
American Cyanamid Co., New York, N. Y.	Electric generating extension at Bound Brook, N. J.	4,000	2,164,800	2,164,800	40	865,920
Atlantic City Electric Co., Atlantic City, N. J.	Extension of Deepwater powerplant, Penns Grove, N. J.	60,000	13,871,000	13,871,000	45	6,241,950
Hercules Powder Co., Wilmington, Del.	Hercules Powder Co. plant, Parlin, N. J.	3,000	1,420,000	1,420,000	40	568,000
Public Service Electric and Gas Co., Newark, N. J.	New transmission substation, North Brunswick, N. J.		2,252,850	2,252,850	55	1,239,068
Do.	Transmission line from the Sewaren steam electric station to United States Metals substation.		104,800	104,800	20	20,960
Do.	Transmission connections from Burlington and Trenton, N. J., to Philadelphia Electric Co. system.		607,850	607,850	20	121,570
Do.	Transmission line from Trenton switching station to Fernwood substation.		493,250	441,100	20	88,220
Do.	Camden switching-Richmond generating station line (Public Service portion), transmission line to the Pennsylvania State line (Delaware River crossing).		635,000	635,000	20	127,000
Do.	Construction at Marion, Kearney, Essex and Burlington generating stations, N. J.		142,000	142,000	55	78,100
Do.	Transmission facilities to U. S. Navy Laboratory near Trenton, N. J.		881,000	721,000	15	108,150
Do.	Transmission facilities to Studebaker plant, New Brunswick Township, N. J.		95,165	95,165	35	33,308
Do.	Transmission facilities to Wright Aeronautical Corp., Garfield, N. J.		48,200	48,200	35	16,870
Do.	No. 7 and No. 8 units at Kearney generating station, Newark, N. J.	290,000	21,000,125	20,883,293	55	11,485,811
Do.	Transmission facilities to Fort Dix, Burlington County, N. J.		24,998,555	24,837,692	45	11,176,961
Do.	Burlington generating plant, Burlington, N. J.		41,500	41,500	40	16,600
Do.	Camden switching station, Camden, N. J.	185,000	27,000,000	27,000,000	40	10,800,000
New Jersey total.			823,704	823,704	45	370,667
						43,359,155
NEW MEXICO						
El Paso Electric Co., El Paso, Tex.	Transmission line from El Paso, Tex., to Las Cruces, N. Mex.		456,000	443,702	65	288,406
Do.	Rio Grande power station, Dona Ana County, N. Mex.		1,591,254	1,575,000	20	315,000
Public Service Co. of New Mexico, Albuquerque, N. Mex.	Person steam electric station unit No. 3, Albuquerque, N. Mex.	30,000	4,626,278	4,626,278	55	2,544,453
Do.	Person steam electric station units Nos. 1 and 2 and transmission facilities, Albuquerque, N. Mex.	40,000	6,044,923	3,175,292	55	1,746,411
Southwestern Public Service Co., Carlsbad, N. Mex.	Substation with transformer 15 miles east of Carlsbad, N. Mex.		58,000	2,856,471	65	1,856,706
Southwestern Public Service Co., Amarillo, Tex.	Eddy County generating plant, unit No. 1, Artesia, N. Mex.	50,000	7,127,700	58,000	20	11,600
Do.	X plant to Tucco plant transmission line.		555,810	555,810	55	305,696
Do.	Plant X to Curry County interchange substation transmission lines.		698,400	698,400	55	384,120
Do.	Transformer and transmission substation at Carlsbad steam electric plant, Carlsbad, N. Mex.		271,200	271,200	55	149,160
Do.	Transformer and transmission substation at X steam electric plant.		1,209,100	1,209,100	55	665,005
Do.	Carlsbad steam electric plant, Carlsbad, N. Mex.	18,700	3,333,850	3,333,850	55	1,833,618
New Mexico total.						14,001,160

Electric power projects approved for tax certificates—Continued

Name of applicant	Location and type of facility	Rated capacity (kilowatts)	Amount of application	Amount eligible	Recommended percent	Amount certified for accelerated amortization
NEW YORK						
Allied Chemical & Dye Corp., Syracuse, N. Y.	Powerplant expansion near Syracuse, N. Y.	20,000	\$2,600,000	\$2,600,000	40	\$1,040,000
Central Hudson Gas & Electric Corp., Poughkeepsie, N. Y.	Danskammer Point steam station, town of Newburgh, Orange County, N. Y.	60,000	10,961,575	10,961,575	40	4,384,630
Consolidated Edison Co. of New York, Inc.	2 generating units, Astoria generating station units Nos 1 and 2.	160,000	51,990,000	51,990,000	45	21,745,500
Do.	2 generation units, East River generation station units Nos 5 and 6.	160,000	45,800,000	45,800,000	20	9,160,000
Do.	Hudson Ave. generating station unit No. 10, pressure boiler and turbogenerator.	125,000	20,700,000	14,904,000	20	2,980,800
Do.	East River generation station unit No. 7, pressure boiler and turbine-generator.	133,000	31,600,000	31,600,000	45	14,220,000
Long Island Lighting Co., Mineola, Long Island, N. Y.	Extension to existing Glenwood Landing station, Nassau County, Long Island, N. Y.	160,000	16,075,000	15,575,000	55	8,566,250
Do.	Glenwood electric power station No. 3, Glenwood Landing, Long Island, N. Y.	90,000	17,894,500	17,894,500	45	8,052,525
Do.	Far Rockaway electric power station, Far Rockaway, Long Island, N. Y.	90,000	18,024,500	18,024,500	55	9,913,475
New York State Electric & Gas Corp., Binghamton, N. Y.	New turbine generator station (Milliken station near Heddens, N. Y., on the east shore of Cayuga Lake) and transmission facilities.	108,000	25,342,200	25,287,200	45	11,379,240
Do.	Power supply line to Village of Horseheads, Chemung County, State of New York.		64,195	64,195	30	19,259
Do.	Transmission reinforcement in northeast New York State (Nicholville, Lyon Mountain, Brainardsville, and Kents Falls).		1,846,800	1,836,868	45	826,591
Do.	Goudey station extension near Binghamton, N. Y.	60,000	8,121,359	8,121,359	20	1,624,272
Do.	Transmission tap from East Springfield on the Colliers-Ingalls line to Richfield Springs, N. Y. (10.0 miles).		227,959	227,959	20	45,592
Do.	Beaverkill-West Woodbourne, 114 kilovolt transmission line (extension of existing Delhi Beaverkill to West Woodbourne), Liberty, N. Y. area.		974,994	974,994	20	194,999
Do.	Extension to Greenidge electric generating station unit No. 4, Dresden, N. Y.	80,000	17,142,300	17,142,300	45	7,714,035
Do.	Extension at East Corning, N. Y., Hickling station and 114 kilovolt transmission line.	40,000	7,836,155	7,823,439	35	2,738,204
Niagara Mohawk Power Corp., Syracuse, N. Y.	Albany steam station and transmission line in New York State.	80,000	15,328,000	15,278,000	30	4,583,400
Do.	Transmission line, Olean Nlle, N. Y.		330,000	330,000	40	132,000
Do.	Transmission facilities, Tonawanda, N. Y.		76,454	55,454	40	22,182
Do.	Transmission facilities near Watervliet, N. Y.		279,722	194,077	40	77,631
Do.	South Colton hydro development, South Colton, St. Lawrence Co., N. Y.	19,350	3,964,000	3,962,000	30	1,188,600
Do.	Transmission facilities, East Syracuse, N. Y.		140,100	94,600	40	37,840
Do.	Transmission extension near Utica, N. Y.		100,700	99,900	40	39,960
Do.	New automatic hydro plant Five Falls, St. Lawrence Co., N. Y.	22,000	4,275,000	4,274,700	30	1,282,410
Do.	Transmission facilities, New Hartford, N. Y.		92,150	92,150	40	36,860
Do.	Transmission facilities, Medina, N. Y.		77,710	77,710	40	31,084
Do.	Albany steam electric station, Albany, N. Y.	80,000	12,000,000	11,609,000	40	4,643,600
Do.	Carry Falls Reservoir, on the Racquette River, town of Colton, St. Lawrence County, N. Y.	8,300	2,631,000	2,631,000	30	789,300
Do.	New steam electric station and transmission facilities.	80,000	28,500,000	28,333,320	30	8,499,996
Do.	Turbine generator including boiler and auxiliaries.	80,000	10,572,378	10,572,378	20	2,114,476
Do.	Steam electric station, Buffalo, N. Y.	160,000	25,200,000	25,200,000	40	10,080,000
Do.	Stewart's Bridge hydro development, Hadley, N. Y.	30,000	4,929,780	4,927,135	20	985,427
Rockland Light & Power Co., Nyack, N. Y.	Interconnection facilities at Sugar Loaf, N. Y.		555,000	555,000	40	222,000
Do.	Transmission facilities between Grahamsville, N. Y., and Shoemaker substation, Middletown, N. Y.		875,000	875,000	55	481,250
Do.	Hudson steam electric station, Tomkins Cove, N. Y.	60,000	13,500,000	13,500,000	55	7,425,000
Do.	Grahamsville hydroelectric plant, Grahamsville, N. Y.	18,000	2,330,000	2,326,948	55	1,279,821
New York total						151,558,209
NORTH CAROLINA						
Carolina Power & Light Co., Wilmington, N. C.	Steam generating unit, Wilmington, N. C.	100,000	17,436,000	17,416,000	65	11,320,400
Carolina Power & Light Co., Raleigh, N. C.	Wilmington steam electric station, Wilmington, N. C.	100,000	13,175,000	13,175,000	55	7,246,250
Carolina Power & Light Co.	Lumberton steam electric station, North Carolina unit No. 3.	70,000	9,250,000	9,250,000	55	5,087,500
Nantahala Power & Light, Pittsburgh, Pa.	Thorpe transformer station, Franklin, N. C.		171,500	171,500	65	111,475
Do.	Bear Creek power development, Jackson County, N. C.	9,000	2,730,303	2,562,111	65	1,665,372
Do.	Tuckasegee hydroelectric development, Jackson County, N. C.	3,000	885,758	218,292	55	120,061
Do.	Cedar Cliff hydroelectric development, Jackson County, N. C.	6,375	1,224,848	1,109,509	65	721,181
North Carolina total						26,272,239
OHIO						
Appalachian Electric Power Co., Roanoke, Va.	Phillip Sporn No. 3, Graham, Ohio, extension to steam-electric generating plant and connecting transmission line.	150,000	16,210,450	16,210,450	25	4,052,613
Cincinnati Gas & Electric Co., Cincinnati, Ohio.	Clermont power station unit No. 3, Cincinnati, Ohio.	125,000	20,419,600	20,384,600	65	13,249,990
Do.	Clermont power station unit No. 1.	100,000	24,842,866	24,736,316	35	8,657,711
Do.	Clermont power station unit No. 2.	100,000	15,025,335	15,025,335	50	7,512,668
Do.	Transmission line to serve AEC plant, Fernald, Ohio.		2,118,666	2,118,666	65	1,377,133
Do.	Transmission facilities, Lockland, Ohio.		118,284	118,284	40	47,314
Cleveland Electric Illuminating Co., Cleveland, Ohio.	Industrial service connection in Cleveland.		235,332	235,332	40	94,133
Do.	Lake shore switch house to East Cleveland area.		554,035	554,035	20	110,807
Do.	Substation to serve Electric Products Co., Cleveland, Ohio.		22,743	22,743	20	4,549
Do.	Transmission line and substation facilities, Ashtabula County, Ohio.		72,595	72,595	20	14,519
Do.	Transmission line to General Motors Corp., Brook Park Village, Ohio.		64,620	64,620	30	19,386
Do.	Transmission facilities to the Murray Ohio Manufacturing Co., Cleveland, Ohio.		34,512	34,512	25	8,628

Electric power projects approved for tax certificates—Continued

Name of applicant	Location and type of facility	Rated capacity (kilowatts)	Amount of application	Amount eligible	Recommended percent	Amount certified for accelerated amortization
OHIO—continued						
Cleveland Electric Illuminating Co., Cleveland, Ohio.	Installation of facilities—Lake Shore plant to Newburgh substation, Cleveland, Ohio.		\$509,595	\$509,595	20	\$101,919
Do.....	East Lake powerplant unit No. 4, Eastlake Village, Ohio.	150,000	26,868,000	26,265,365	65	17,072,487
Do.....	Lakeshore power station units 16 and 17, Cleveland, Ohio.	160,000	19,619,495	19,619,495	25	4,904,874
Do.....	Transmission facilities, Cleveland, Ohio.		43,859	43,859	35	15,351
Do.....	Transmission facilities, Cleveland (Newburgh Heights), Ohio.		881,700	750,150	35	262,553
Do.....	Transmission facilities, Bedford, Ohio.		32,045	32,045	35	11,216
Do.....	Eastlake powerplant units 1, 2, and 3 Erie Rd. and Lake Erie, Eastlake Village, Ohio.	300,000	55,539,000	19,071,000	40	7,628,400
Do.....	Water-treating facilities for boiler plant, Cincinnati, Ohio.			36,053,000	50	18,026,500
Factory Power Co., Cincinnati, Ohio.	Switching facilities for service to AEC project near Portsmouth, Ohio, at Tanners Creek plant.		107,000	107,000	45	48,150
Indiana-Michigan Electric Co. care of American Gas & Electric Service Corp., New York, N. Y.	Transmission interconnection.		987,000	987,000	65	641,550
Marietta Electric Co., Marietta, Ohio.	Substation and transmission line, Newton Falls, Warren and Niles, Ohio.		177,282	177,282	25	44,321
Ohio Edison Co., Akron, Ohio.	Transmission facilities, Mansfield, Ohio.		764,000	751,000	30	225,300
Do.....	Transmission facilities, Marion to Springfield, Ohio.		170,000	150,000	40	60,000
Do.....	Transmission facilities, vicinity of Youngstown, Ohio.		2,061,000	2,045,000	30	614,400
Do.....	Niles power station units Nos. 1 and 2 (steam electric generation station) on Mahoning River in Trumbull County, Ohio.	212,000	60,000	60,000	55	33,000
Do.....	Extension to R. E. Burger power station, Belmont County, Ohio.		31,878,818	31,878,818	35	11,157,586
Do.....	Transmission facilities, Sterling condenser project, 2½ miles south of Lima, Ohio.	270,000	47,740,000	47,543,000	60	28,525,800
Ohio Power Co., care of American Gas & Electric Service Corp., New York, N. Y.	Transmission facilities, Canton, Ohio.		316,000	316,000	40	126,400
Do.....	Substations and transmission lines near West Malta, Ohio.		110,095	110,095	35	38,533
Do.....	Canton, Ohio, wagenhals condenser project.		601,725	581,425	40	232,570
Do.....	South Tiffin substation 3 miles southwest of Tiffin, Ohio.		344,210	344,210	55	189,316
Do.....	Transmission facilities, Canton, Ohio.		290,730	290,730	40	116,292
Do.....	Pbilo generating station, Ohio.		716,245	620,880	35	217,308
Do.....	Transmission facilities in vicinity of Lima, Ohio.		560,800	80,540	40	32,216
Do.....	Subtransmission and distribution facilities near Portsmouth, Ohio.		424,080	330,080	40	132,032
Do.....	Transmission line near Ironton, Ohio, and thence to Kentucky State line.		947,533	809,728	55	445,350
Do.....	Transmission line, Lucasville to AEC, Portsmouth area, Ohio.		182,850	182,850	40	73,140
Do.....	8 transmission substations in eastern and central Ohio.		356,550	344,700	65	224,055
Do.....	Transmission facilities to Brilliant, Ohio.		709,885	709,885	55	390,437
Do.....	Substation to serve Timken Roller Bearing Co., Bucyrus, Ohio.		61,110	61,110	35	21,389
Do.....	Transmission line and substation for Detroit Steel Corp., Portsmouth, Ohio.		62,520	61,270	30	18,381
Do.....	Portable transformer for use in Ohio and West Virginia.		207,725	207,725	25	51,931
Ohio Power Co., Canton, Ohio.	Transmission line, Muskingum-Lima, Ohio.		244,600	244,600	55	134,530
Do.....	Phillip Sporn No. 4, Graham, Ohio, extension to steam-electric generating plant and connecting transmission line.	150,000	12,089,925	12,074,925	65	7,848,701
Do.....	Muskingum Nos. 1 and 2, Ohio, new steam-electric generating plant and connecting transmission line.	{ 200,000 200,000 }	55,608,275	55,534,275	65	36,097,279
Do.....	Transmission line and substations, West Lancaster to Sterling, Ohio.					
Union Carbon & Carbide Co., New York, N. Y.	Powerplant near Marietta, Ohio.	160,000	4,652,450	4,639,950	45	2,087,978
Ohio total.....			33,200,000	33,200,000	65	21,580,000
						199,380,104
OKLAHOMA						
Oklahoma Gas & Electric Co., Oklahoma City, Okla.	Mustang steam-electric generating station, unit No. 3, Canadian County, Okla.	105,000	11,982,000	11,982,000	65	7,788,300
Public Service Co. of Oklahoma, Tulsa, Okla.	Southwestern steam-electric station, unit No. 2, Washita, Okla., and associated transmission facilities.	60,000	9,008,025	8,973,575	55	4,935,466
Do.....	Southwestern steam-electric station, unit No. 1, and transmission facilities, Carnegie, Okla.	60,000	12,000,000	11,750,729	55	6,462,901
Oklahoma total.....						19,186,667
OREGON						
Bohemla Lumber Co., Culp Creek, Oreg.	Steam and power installation.		225,000	219,000	55	120,450
California-Oregon Power Co., Medford, Oreg.	Power plants and transmission facilities, Soda Springs, Fish Creek, Clearwater No. 1 and No. 2, Lemolo No. 1 and No. 2, Crescent City and Big Bend No. 2.	193,000	38,210,420	30,036,540	65	19,523,751
Portland General Electric, Portland, Oreg.	Clackamas River, Oreg., facilities to increase output of existing hydroelectric plants.		4,800,000	4,294,000	65	2,791,100
Do.....	Pelton hydroelectric plant.	108,000	22,320,000	22,260,000	65	14,469,000
Do.....	Station "b" hydroelectric development.	15,000	2,300,000	2,300,000	50	1,150,000
Weyerhaeuser Timber Co., Tacoma, Wash.	Industrial powerplant, Springfield, Oreg.	12,500	1,492,000	1,492,000	50	746,000
Woodward Lumber Co., Cottage Grove, Oreg.	Powerplant extension at Cottage Grove.	4,000	523,091	523,091	55	287,700
Oregon total.....						39,088,001
PENNSYLVANIA						
Ohio Edison Co., Akron, Ohio.	Transmission facilities near Sharon, Pa.		31,400	31,400	40	12,560
Pennsylvania Electric Co., Johnstown, Pa.	Shawville steam electric station, Shawville, Pa., units Nos. 1 and 2.	{ 125,000 125,000 }	25,835,774	25,835,774	55	14,209,676
Do.....	Transmission facilities from Shawville to Montevello via Lewistown.					
Pennsylvania Power Co., New Castle, Pa.	Greenville substation, Greenville, Pa.		7,175,181	5,515,884	55	3,033,736
Do.....	Transmission line and customer substation at Ellwood, Pa.		58,000	58,000	30	17,400
Do.....	New Castle steam electric station, unit No. 3.	85,000	79,500	79,500	25	19,875
Do.....	Transmission facilities near Sharon, Pa.		13,206,500	13,206,500	35	4,622,275
Do.....	Transmission line, Mercer County, Pa., to supply Sharon Steel Corp.		28,820	28,820	40	11,523
Do.....	Transmission line, Mercer County, Pa.		31,000	31,000	35	10,850
Do.....			33,100	31,849	35	11,147

Electric power projects approved for tax certificates—Continued

Name of applicant	Location and type of facility	Rated capacity (kilowatts)	Amount of application	Amount eligible	Recommended percent	Amount certified for accelerated amortization
PENNSYLVANIA—continued						
Pennsylvania Power & Light Co., Allentown, Pa.	East Lancaster, South Akron-Earl-Grace mine transmission line.		\$1,184,940	\$1,184,940	35	\$414,729
Do	Sunbury steam electric station, unit No. 3	100,000	24,598,850	24,598,850	25	6,149,713
Do	Martins Creek steam electric station near Martins Creek, Pa.	132,500	32,209,550	31,962,100	45	14,382,945
Do	Extension to Sunbury steam electric station, unit No. 4; Shamokin Dam west side of Susquehanna River, about 2 miles south of Sunbury, Pa.	125,000	36,907,000	36,907,000	55	20,298,850
Pennsylvania Water & Power Co., Baltimore, Md.	Extension to existing Holtwood station, Holtwood, Pa.	60,000	13,591,000	13,591,000	45	6,115,950
Do	Coal recovery plant near Safe Harbor, Pa.		6,000,000	6,000,000	40	2,400,000
Do	Transmission line between Manor and Hummelstown substations in Pennsylvania.		1,193,000	1,193,000	55	656,150
Philadelphia Electric Co., Philadelphia, Pa.	Transmission facilities, Camden switching station, Richmond generating station line (Philadelphia Electric portion).		809,500	989,500	20	170,900
Do	Extension to Delaware steam electric station, 1401 Beach St., Philadelphia, Pa., units 7 and 8.	250,000	45,000,000	44,200,000	55	24,310,000
Do	Structures and improvements, station equipment, Island Road, 78th and Eastwick Sts., Philadelphia, Pa.	250,000	2,860,000	2,860,000	55	1,573,000
Do	Transmission facilities from Emilie substation to Burlington.		1,610,000	1,610,000	20	322,000
Do	Transmission facilities to supply new Fairless plant, United States Steel.		910,500	910,500	30	273,150
Do	Cromby steam electric station, Cromby, Pa.	150,000	27,000,000	27,000,000	55	14,850,000
Do	Cromby steam electric station, Cromby, Pa., unit No. 2.	200,000	30,500,000	30,207,090	30	9,062,127
Pittsburgh Coke & Chemical Co., Pittsburgh, Pa.	Steam boiler installation at Neville Island.	11,400	1,836,000	1,836,000	60	1,101,600
St. Lawrence River Power Co. (St. Lawrence plant), Pittsburgh, Pa.	Synchronous condenser and accessory switching facilities, miscellaneous water facilities.		367,800	367,800	85	312,630
West Pennsylvania Power Co., Pittsburgh, Pa.	Transmission facilities, Albright to Lake Lynn.		233,670	233,670	40	93,468
Do	Springdale power station, unit No. 8, Sprindale, Pa.	125,000	20,332,000	19,023,258	50	9,511,629
Do	Transmission lines in southwest Pennsylvania.		1,491,110	1,491,110	45	671,000
Do	Transmission line from a point near Washington, Pa., to a point near Waynesburg, Pa.		669,293	664,293	40	265,717
Do	Transmission facilities, Allenport, Pa.		557,755	557,755	35	195,214
United States Steel Co., Pittsburgh, Pa.	Extension to boiler plant, Clairton Byproduct Coke Works, Clairton, Pa.		2,430,000	2,430,000	45	1,093,500
Pennsylvania total						143,190,586
SOUTH CAROLINA						
South Carolina Electric & Gas Co., Columbia, S. C.	Transmission line in Aiken County, S. C.		225,000	225,000	45	101,250
Do	Transmission line, Accabee substation to Hagood steam plant, Charleston County, S. C.		104,855	85,276	20	17,055
Do	Transmission line near Aiken, S. C.		104,463	103,963	20	20,793
Do	Transmission line, Allendale-Barnwell, S. C.		165,100	165,100	20	33,020
Do	Transmission line to AEC plant, Aiken County, S. C.		190,000	190,000	50	95,000
Do	Transmission circuit in Charleston, S. C., area.		44,500	44,500	45	20,025
Do	Service extension to Air Force Base near Charleston, S. C.		33,150	33,150	45	14,918
Do	Service extension to Air Force plant, near Charleston, S. C.		26,000	26,000	40	10,400
Do	Extension of steam electric station, Hagood plant, Charleston, S. C.	40,000	8,371,150	5,667,064	20	1,133,413
Do	Substation enlargement, Charleston, S. C.		260,000	260,000	20	52,000
Do	Transmission line and substation facilities between Yemassee and Graniteville, S. C.		1,253,000	1,253,940	20	250,788
South Carolina Generating Co., Columbia, S. C.	Urquhart steam electric station, units 1 and 2, Beech Island, Aiken County, S. C.	150,000	24,102,900	24,048,500	45	10,821,825
South Carolina total						12,570,487
SOUTH DAKOTA						
Black Hills Power & Light Co., Rapid City, S. Dak.	Transmission facilities from Rapid City, S. Dak., to Rapid City Air Base and substation at air base.		142,000	126,367	55	69,502
Northern States Power Co., Minneapolis, Minn.	Extension to power station, Sioux Falls, S. Dak.	20,000	3,320,100	3,320,100	25	830,025
South Dakota total						899,527
TENNESSEE						
Appalachian Electric Power Co., Roanoke, Va.	Transmission line, Holston-Boone Dam, Tenn.		212,300	212,300	25	53,075
Knoxville Power Co., Pittsburgh, Pa.	Transmission line, Calderwood to Alcoa, Blount County, Tenn.		940,900	938,700	65	610,155
Nantahala Power & Light Co., Pittsburgh, Pa.	Tennessee Creek hydro-electric development, Jackson County, Tenn.	9,000	3,980,000	3,897,050	65	2,533,083
Tennessee total						3,196,313
TEXAS						
Central Power & Light Co., Corpus Christi, Tex.	Transmission line and associated substations, Laredo to Falfurrias to Edinburg, Tex.		1,528,563	1,446,536	40	578,614
Do	Transmission line near Corpus Christi, Tex.		185,700	184,575	55	101,516
Do	do		230,704	230,704	35	80,746
Do	Victoria steam electric station, unit No. 3, Victoria, Tex.	30,000	5,231,180	5,231,180	40	2,092,472
Do	Lou C. Hill steam electric-generating station, unit No. 1, Calallen, Tex.	60,000	8,159,288	8,046,969	45	3,621,136
Do	Transmission line and terminal facilities, Victoria to Calallen to Falfurrias, Tex.		3,274,300	3,187,325	40	1,274,030
Citizens Utility Co., Nogales, Tex.	Valencia gas-diesel engine near Nogales, Tex.	1,250	418,000	418,000	45	188,100
Dallas Power & Light Co., Dallas, Tex.	Parkdale steam electric generating unit No. 2, Dallas, Tex.	115,000	11,100,000	11,100,000	65	7,215,000
Do	Addition to Dallas steam electric station unit No. 3, Dallas, Tex.	60,000	8,860,000	8,860,000	65	5,759,000
Dow Chemical Co., Freeport, Tex.	Extension to boiler plant, Freeport, Tex.		640,630	640,630	50	320,315
Do	Extensions to power stations, Freeport, Tex.	75,000	11,500,000	11,500,000	50	5,750,000
Dow Chemical Co., Midland, Mich.	Industrial power installations at plant B and plant A, Freeport, Tex.	60,000	15,833,300	15,833,300	40	6,333,320
Do	Industrial powerplant A at Freeport, Tex.	40,000	10,675,000	10,675,000	40	4,270,000

Electric power projects approved for tax certificates—Continued

Name of applicant	Location and type of facility	Rated capacity (kilowatts)	Amount of application	Amount eligible	Recommended percent	Amount certified for accelerated amortization
TEXAS—continued						
Gulf States Utilities Co., Beaumont, Tex.	Transmission facilities, Orange, Tex.		\$404,100	\$404,100	35	\$141,435
Houston Lighting & Power Co., Houston, Tex.	Webster steam electric station units Nos. 1 and 2, 25 miles northeast of Houston, Tex.	200,000	22,624,000	12,175,000	55	6,696,250
Do.	Deepwater steam electric station No. 7 unit, Pasadena, Tex.	125,000	16,300,000	10,172,000	65	6,611,800
Southwestern Gas & Electric Co., Shreveport, La.	Knock Lee steam electric generation station unit No. 4, Longview, Tex., and associated transmission and substation facilities.	60,000	8,610,716	16,069,880	65	10,445,422
Do.	Lone Star steam electric station, unit No. 1, Longview, Tex.	40,000	6,886,769	8,610,716	50	4,305,358
Southwestern Public Service Co., Amarillo, Tex.	Moore County generating unit, near Sunray, Tex.	50,000	7,050,000	6,883,769	55	3,786,073
Do.	Amherst steam electric plant, units No. 1 and No. 2 near Littlefield, Tex.	50,000	16,778,642	7,030,000	55	3,866,500
Do.	Extension to power station, Amarillo, Tex.	100,000	4,394,169	16,510,642	55	9,080,853
Do.	Stepup substation, Amarillo, Tex.	37,500	263,568	4,394,169	25	1,098,542
Do.	Transmission line, Amarillo to Canyon Corner, Tex.		216,670	263,568	25	65,892
Do.	Plant "X", Hale County transmission line and substation.		755,600	216,670	25	54,168
Do.	Substation and line facilities near Borger, Tex.		713,436	755,600	55	415,580
Do.	Plant "X" electric generating station, unit No. 3, Lamb County, Littlefield, Tex.	110,000	12,849,915	678,132	35	237,346
Do.	Transformer bank at Moore County plant, Texas.		485,070	12,849,915	55	7,067,453
Do.	Transformer bank at Denver City plant, Denver City, Tex.		370,740	485,070	55	266,789
Texas Electric Service Co., Fort Worth, Tex.	Morgan Creek electric station, unit No. 4, Colorado City, Tex.	60,000	7,500,000	370,740	55	203,907
Do.	Tarrant County (Eagle Mountain) electric station, Fort Worth, Tex.	100,000	12,000,000	7,500,000	65	4,875,000
Texas Power & Light Co., Dallas, Tex.	Transmission facilities between Whitney, Lake Creek, Waco and Temple, Tex.		2,599,000	11,279,145	65	7,331,444
Do.	River Crest electric station No. 1, Paris, Tex.	100,000	12,650,000	2,599,000	45	1,169,550
Do.	Transmission lines between Franklin and Paris, Franklin and Sulphur Springs, Commerce and Sulphur Springs.		3,912,000	12,650,000	65	8,222,500
Do.	Lake Creek electric station, unit No. 1, Waco, Tex.	60,000	11,000,000	3,912,000	65	2,542,800
Do.	Initial unit of Collins County steam electric station of Prosper, Tex.	145,000	17,500,000	11,000,000	55	6,050,000
Do.	Transmission line, substation, and terminal facilities for Collins County steam electric generating station, Tex.		2,360,000	17,500,000	65	11,375,000
West Texas Utilities Co., Abilene, Tex.	Steam-electric generating station No. 2 unit, Paint Creek plant and substation, Stamford, Tex.	30,000	3,945,370	2,196,100	65	1,427,465
Do.	Transmission line, Paint Creek generating plant to Stamford line.		100,790	3,945,370	45	1,775,417
Do.	Transmission line, Paint Creek generating plant to Abilene generating plant.		426,917	100,790	40	40,316
West Texas Utilities Co., Stamford, Tex.	Transmission line, Paint Creek generating plant, Haskell line.		72,637	426,917	55	234,804
West Texas Utilities Co., Abilene, Tex.	Transmission facilities, Hamlin, Tex.		143,057	72,637	55	39,950
Do.	Transmission line near Eldorado, Tex.		141,186	117,857	25	29,464
Do.	Transmission line near Sterling City, Tex.		107,796	141,186	20	28,237
Do.	Paint Creek steam electric station No. 1 unit, near Stamford, Tex.	30,000	4,400,000	107,796	20	21,559
Do.	Concho steam electric station, unit No. 2, San Angelo, Tex.	30,000	3,954,400	4,375,000	55	2,406,250
Do.	Ballinger gas turbine electric station near Fort Stockton, Tex.	5,000	770,679	3,954,400	55	2,174,920
Texas total						141,980,225
UTAH						
Utah Power & Light Co., Salt Lake City, Utah.	Tooele-Dugway transmission line at Tooele, Utah.		170,670	170,670	40	68,268
Utah total						68,268
VERMONT						
Central Vermont Public Service Corp., Rutland, Vt.	Gas turbine and hydro redevelopment, Rutland and Weybridge.	9,750	2,122,610	1,987,610	25	496,903
Do.	Rutland gas turbine, units Nos. 2 and 3, Rutland, Vt.	10,000	2,300,000	2,300,000	30	690,000
Vermont total						1,186,903
VIRGINIA						
Appalachian Electric Power Co., Roanoke, Va.	Transmission lines Glen Lyn-Roanoke-Salem, Va.		2,743,240	2,743,240	25	685,810
Do.	Transmission line, Saltville, Va., Kingsport, Tenn.		774,030	774,030	25	193,508
Appalachian Electric Power Co., care of American Gas & Electric Service Corp., New York, N. Y.	Electric power supply to Foote Minerals Co., Sunbright, Va.		208,510	208,510	40	83,404
Do.	Fieldale substation addition, Fieldale, Va.		601,130	507,630	20	101,526
Do.	Transmission line and substation near Mount Union, Va., Lone Star project.		931,920	931,920	30	279,576
Do.	Transmission lines to Saltville, Smyth County, Va.		431,290	335,500	25	88,875
Do.	Transmission facilities Roanoke, Va.		238,920	238,920	20	47,784
Potomac Electric Power Co., Washington, D. C.	Potomac River plant, Alexandria, Va.	90,000	16,000,000	16,000,000	40	6,400,000
Virginia Electric & Power Co., Richmond, Va.	Addition to Portsmouth, Va., power station	90,000	14,500,000	14,500,000	35	5,075,000
Do.	Transmission line extension to Fort Enstis, Va.		60,000	60,000	55	33,000
Do.	Transmission line extension near Norfolk, Va.		170,000	170,000	45	76,500
Do.	Transmission line and substation, near Norfolk, Va.		1,200,000	1,188,000	45	534,000
Do.	Transmission line, Suffolk to Newport News and substation at Langley Field, Va.		4,195,000	4,185,000	55	2,301,750
Do.	Reeves Ave. steam plant unit No. 7.	40,000	3,000,000	3,000,000	25	750,000
Do.	Rossum Point steam plant unit No. 2.	60,000	9,862,000	9,200,000	25	2,300,000
Do.	Chesterfield steam plant unit No. 3.	90,000	14,390,000	13,600,000	55	7,480,000
Do.	Gilmerton steam plant, new.	90,000	17,500,000	17,100,000	55	9,405,000
Do.	Potomac Point-Chesterfield, 110-kilovolt transmission line.		2,965,000	2,955,000	25	738,750
Do.	Buggs Island-Chase City, 110-kilovolt transmission line and 110-kilovolt/66-kilovolt substation.		825,000	823,000	25	205,750
Do.	Chesterfield-Hosier Rd., 110-kilovolt transmission line.		2,650,000	2,650,000	25	662,500
Do.	Chesterfield-Newport News, 110-kilovolt transmission line.		2,200,000	2,200,000	55	1,210,000
Do.	Transmission line, Portsmouth power station, Portsmouth, Va.		440,000	440,000	45	198,000

Electric power projects approved for tax certificates—Continued

Name of applicant	Location and type of facility	Rated capacity (kilowatts)	Amount of application	Amount eligible	Recommended percent	Amount certified for accelerated amortization
VIRGINIA—continued						
Virginia Electric & Power Co., Richmond, Va.	Transmission lines, southwest of Richmond, Va., near the North Carolina-Virginia border.		\$1,300,000	\$1,300,000	45	\$585,000
Do.	Transmission line near Norfolk, Va.		180,000	180,000	45	81,000
Virginia total						39,517,333
WASHINGTON						
J. Neils Lumber Co., Portland, Oreg.	Powerplant at Klickitat, Wash.	3,000	125,000	95,000	55	52,250
Pacific Power & Light Co., Portland, Oreg.	Yale hydroelectric project, Lewis River, Wash.	100,000	26,450,000	26,170,000	75	19,627,500
Washington Veneer Corp., Olympia, Wash.	Alterations to boilerhouse.	6,000	248,500	248,500	55	136,675
Washington Water Power Co., Spokane, Wash.	Cabinet Gorge hydroelectric plant.	200,000	35,000,000	34,425,000	65	22,376,250
Do.	Transmission line and substation to serve Van Stone mine near Aladin, Stevens County, Wash.		155,240	142,990	35	50,047
Washington total						42,242,722
WEST VIRGINIA						
Appalachian Electric Power Co., Charleston, W. Va.	Transmission line.		133,850	133,850	65	87,003
Appalachian Electric Power Co., New York, N. Y.	Transmission facilities, Huntington, W. Va.		184,470	184,470	35	64,565
Appalachian Electric Power Co., care of American Gas and Electric Service Corp., New York, N. Y.	Portable transformer for use in West Virginia and adjacent States.		244,600	244,600	55	134,530
Do.	Substations at Logan and Becco, W. Va.		173,700	173,700	40	69,480
Do.	Transmission facilities vicinity Graham Station, West Virginia.		74,690	74,960	40	29,984
Appalachian Electric Power Co., New York, N. Y.	Substation and transmission expansion, Charleston, W. Va.		1,121,745	1,073,745	40	429,498
Appalachian Electric Power Co., care of American Gas & Electric Service Corp., New York, N. Y.	Improvements at Cabin Creek steam-electric generating plant, southeast of Charleston, W. Va.		89,400	89,400	20	17,880
Do.	Bradley substation addition, Price Hill, W. Va.		118,810	118,810	20	23,762
Do.	Transmission facilities vicinity of Charleston, W. Va., Glen Lyn, Radford, Switchback and North Bristol, Va.; Kingsport, and Canney Branch, Tenn.; and Crestmont, N. C.		68,393	59,543	40	23,817
Appalachian Electric Power Co., Roanoke, Va.	Transmission line Glasgow-Baileysville, W. Va.		1,873,700	1,873,700	45	843,165
Do.	Kanawha Nos. 1 and 2, West Virginia	200,000	47,939,310	31,826,206	45	14,321,793
Do.	New steam electric generating plant and connecting transmission line.	200,000		15,913,104	65	10,343,618
Monongahela Power Co., Fairmont, W. Va.	Transmission interconnection to Marietta, Ohio.		34,504	34,504	25	8,626
Do.	Albright power station unit No. 2 and transmission line near Clarkshurg, W. Va.	60,000	14,022,497	13,952,297	40	5,580,919
Do.	Line extension to Fairview, W. Va.		47,790	47,790	25	11,948
Do.	Rivesville power station unit No. 6, Rivesville, W. Va.	74,750	12,097,800	12,097,800	25	3,024,450
Do.	Line extension and substation, Hastings, W. Va.		185,000	185,000	35	64,750
Do.	Transmission facilities, Vienna, W. Va.		128,200	124,700	40	49,880
Do.	Transmission facilities, Weirton, W. Va.		42,800	42,300	40	16,920
Do.	Albright generating station, Albright, W. Va.	125,000	17,082,500	16,682,500	45	7,507,125
Northern Virginia Power Co., Frederick, Md.	Transmission line from Millville, W. Va., to double toll gate, Virginia.		384,230	318,880	20	63,776
The Potomac Edison Co., Frederick, Md.	Transmission line from Ridgeley, W. Va., to Marlowe, W. Va., portion of the line in Maryland.		361,960	126,360	50	63,180
Do.	Albright power station unit No. 1 and transmission line, Ridgeley, W. Va.	60,000	13,397,710	13,337,310	40	5,334,924
Potomac Light & Power Co., Frederick, Md.	Transmission line and substation, Ridgeley, W. Va., to Marlowe, W. Va.		1,645,770	1,222,730	50	611,365
Do.	Transmission line from Maryland stateline to Millville, W. Va.		53,510	25,510	20	5,102
Wheeling Electric Co., Charleston, W. Va.	Transmission line.		223,105	223,105	65	145,018
Wheeling Electric Co., New York, N. Y. (care of American Gas & Electric Service Corp.).	Substation expansion, Natrium, Marshall County, W. Va.		96,880	91,880	35	32,158
Wheeling Electric Co., care of American Gas & Electric Service Corp., New York, N. Y.	Transmission service facilities, Round Bottom, W. Va.		471,616	466,446	35	163,256
Do.	Transmission facilities to supply munitions plant.		74,033	63,766	35	22,318
West Virginia total						49,094,710
WISCONSIN						
Lake Superior District Power Co., Ashland, Wis.	Addition to steam electric station, Bay Front steam-electric station, unit No. 5, Ashland, Wis.	20,000	3,342,000	3,244,799	30	973,440
Northern State Power Co., Eau Claire, Wis.	Extension line in Eau Claire to LaCrosse, Wis.		1,565,000	1,565,000	40	626,000
Thilmany Pulp & Paper Co., Kaukana, Wis.	Expansion to steam and power installation, Kaukana, Wis.	7,500	1,581,461	1,581,461	35	553,511
Wisconsin Electric Power Co.	Oak Creek steam-electric station, unit No. 1 (on shore of Lake Michigan, 10 miles south of city limits of Milwaukee, Wis.).	120,000	25,142,500	25,142,500	35	8,799,875
Wisconsin Electric Power Co., Milwaukee, Wis.	Oak Creek steam-electric plant No. 2 (on shores of Lake Michigan), approximately 10 miles south of city limits of Milwaukee, Wis.	120,000	21,268,400	20,393,400	40	8,157,360
Wisconsin Power & Light Co., Madison, Wis.	Rock River steam electric station, unit No. 2, 4 miles north of city of Beloit, Wis., on Rock River.	60,000	11,000,000	11,000,000	55	6,050,000
Do.	Transmission lines out of Rock River generating station and substations at Fond du Lac, Randolph, Beaver Dam, Darlington, Turtle and Lake Geneva.		3,802,005	3,794,505	55	2,086,978
Do.	Rock river steam electric station, unit No. 1, Rock County, Wis.	60,000	13,296,850	13,246,850	55	7,285,768
Wisconsin total						34,532,932

*\$200,000 excluded for land fee.

Mr. GAVIN. Mr. Chairman, I rise in opposition to the amendment.

Mr. JONAS of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I yield.

Mr. JONAS of North Carolina. Is it not true the Government pays the TVA for all the power it uses?

Mr. GAVIN. There is no question about that.

Mr. Chairman, yesterday I spoke from the Democratic side, but from the hostile attitude exhibited toward me I thought it would be better to come back on the Republican side today.

Before the gentleman from Mississippi [Mr. ABERNETHY] gets a chance to get on his feet, I might advise him that I do not know whether the policy adopted by the Appropriations Committee on TVA is the program of the President or not.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. However, if I had my way, it would be.

Now, President Eisenhower is one of the great Presidents of all time.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I decline to yield to my good friend from Mississippi.

Mr. Chairman, President Eisenhower is one of the greatest Presidents of all times. He is turning in a magnificent performance of which the Nation is proud.

Just a few short months ago, the Democrats were admonishing the Republicans and saying they were supporting the Eisenhower program to a greater extent than were the Republicans. Well, only time will tell.

I might say though to my Democratic friends that they might as well get used to President Eisenhower and his programs as we are going to have him for 6 more years.

Yesterday it was called to the attention of the House that in the past 20 years \$1.750 billion have been put into the TVA by the American taxpayers. Believe me, this is no small sum. And yet, we hear cries from the valley complaining that the Federal Government is letting them down. This is gratitude.

Now my State, the great State of Pennsylvania, is making the fight of its life for its industrial existence and we pay from 8 percent to 10 percent for all Federal projects. I figure that Pennsylvania has put about \$175 million into the TVA.

Each Member of the House can figure the approximate percentage of the money his State pays into the Federal Treasury, and you can figure how much your State has invested in the TVA.

I am of the opinion that we have been rather generous—overgenerous—to the TVA; particularly when it is giving the Tennessee Valley preferential status over other States to attract industries into the area and crucifies the economic and industrial life of other States.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I decline to yield.

I might point out that the Aluminum Co. of America started in Allegheny County in my State, but when they decided to expand, do you think they

located in Pennsylvania? No; they go down to the Tennessee Valley where there is cheap hydroelectric power, federally subsidized, tax-exempt.

Mr. MURRAY. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I decline to yield, and ask that the Chair permit no further interruptions.

You will find all big industrial corporations located there, not because it is any more attractive than any other section of country but because it is more profitably attractive. They can get low power rates and they are in business to make a profit. Other States cannot meet this subsidized competition.

The greatly increased demand for power and the potentials of the valley have been pointed out. I am pleased such a condition exists, but there certainly is no reason why they cannot develop their own steam powerplants with their own money without assessing other States in the Nation to create industrial prosperity for the Tennessee Valley.

I would like to have the \$175 million that Pennsylvania put into the TVA right now to be used for the distressed coal areas in my State.

Certainly it is time for the TVA to stand on its own feet and develop its own power in competition with the other States in the Nation.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. ABERNETHY. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania may have 1 additional minute.

Mr. PHILLIPS. Mr. Chairman, I object.

Mr. SUTTON. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 5 additional minutes.

Mr. GAVIN. One will be sufficient.

The CHAIRMAN. Objection is heard.

Mr. EVINS. I offered to give it to you.

Mr. GAVIN. I thank the gentleman.

Mr. PRIEST. Mr. Chairman, I move to strike out the last word.

Mr. BAKER. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield to the gentleman from Tennessee.

Mr. BAKER. Will the gentleman from Tennessee state if it is not true that the Aluminum Co. of America was located at Alcoa, in the district that I represent, many, many years before TVA came to Tennessee?

Mr. PRIEST. I certainly will state that at least 10 years before TVA ever came to Tennessee the Aluminum Co. of America plant was located at Alcoa, in the district represented by the distinguished gentleman from Tennessee [Mr. BAKER].

Mr. Chairman, I rise in support of the pending amendment, and I hope for just a few minutes, if I may, to discuss the amendment, because it presents to us a very real and present problem. I hope we can all get out of our minds the various tags and labels that have been pinned on one of the greatest agencies of the Federal Government and get down to the basic problem presented by the pending amendment.

I like to agree with my adversary as far as I can. I think it was Shakespeare who admonished us to do that. I agree with the gentleman from North Carolina [Mr. JONAS] in two respects.

The gentleman from North Carolina said that there is not currently a power shortage in the Tennessee Valley. With that I agree.

The gentleman from North Carolina said further that this was not a budget request. With that I agree.

Yet, Mr. Chairman, unless the House adopts this amendment today, I predict on what I believe to be very sound authority that within less than 60 days the Bureau of the Budget will be here requesting an additional appropriation so that some of these steam units may be constructed. Why do I make that prediction? I base it on some correspondence I have had with the Atomic Energy Commission, and I shall ask permission later in the House to insert this correspondence in the Record.

Now, why is there not a budget request for this \$85 million? Because, of the 1,205,000,000 kilowatts of energy now being supplied the Paducah plant, the Budget recommended that about 600,000 kilowatts of that power be transferred to private utilities. Subsequently the Atomic Energy Commission had an offer. They are now discussing that offer with the Bureau of the Budget. That offer was from a private group which said in effect that they would also have to build a steam plant in order to furnish the power, and that it would cost the taxpayers, if you please, \$4 million a year more than they are now paying for the same amount of energy from TVA.

Subsequent to that situation the Atomic Energy Commission has requested, within the last month, 200,000 additional kilowatts for the Oak Ridge plant. They have asked TVA to submit a proposal for supplying that amount of energy.

Mr. Chairman, there is a clear question here of about 800,000 kilowatts of power. The people in the Valley, I am sure, will not be greatly concerned so long as they know they are going to have adequate power for their own needs. The Bureau of the Budget, in seeking to relieve TVA of 600,000 kilowatts, admitted by that action that there will be a shortage by 1957, a shortage in which that much power will be needed for the normal demands of the area.

Mr. Chairman, we know that the Atomic Energy Commission will get what they need. If they need 800,000 kilowatts they are going to get it. We are certain of that, but we face the situation wherein, if that comes from the TVA supply somebody in the Valley may suffer. The Andrews' amendment would permit the beginning of some steam-plant construction which may be completed in 3 years and will take care of the new demand that has been made, and the growing normal demand. I believe that within less than 60 days there will be a request for still more than 200,000 additional kilowatts at Oak Ridge. I have very good reason for believing that that will happen.

Mr. Chairman, I repeat that we face here today a very real and practical

problem with which this Congress must come to grips and I believe come to grips with very speedily. We can do that, Mr. Chairman, by adopting the Andrews' amendment.

Mr. Chairman, I cannot too strongly urge the House to consider these pertinent facts as they apply to the question of whether TVA power is subsidized or whether, instead it pays its way and more.

It is true that a portion of the funds invested in TVA power operations has come from congressional appropriations. But let us look a bit farther.

In order to finance power facilities Congress has provided TVA with \$722,-930,576. However, TVA has repaid \$81,-131,519 of that amount, leaving the net investment of Government money in the power program at the end of June 1953 of \$641,799,057. Now, the remaining amount of \$214,280,092 represents the earnings of the power system reinvested in power facilities.

Now it may be seen that through June 30, 1953, one-fourth of TVA's investment in power facilities came from the people of the Tennessee Valley through the bills they pay for electricity.

Under the law what has been advanced from the Federal Treasury must be repaid over a 40-year period. When these funds are repaid the Government will own the facilities, as it does today, and they will continue to be income-producing sources.

I emphasize, Mr. Chairman, that if there is any subsidy in a plan under which the users of electricity repay the cost of power facilities, it is extremely difficult for me to find it.

It appears clearly evident that the rates, revenues, and earnings are more than ample to cover all operating and maintenance costs, depreciation, interest, tax payments to State and local governments, and still leave a generous margin of income for the Federal Government.

I want to point out further, Mr. Chairman, that Congress did not establish the TVA power program as a source of income-tax revenue for the Federal Government. A great deal has been said as to why TVA and the municipal power systems do not pay Federal income taxes.

Let me emphasize again, as I have emphasized ever since I became a Member of the House, that all of TVA's net income goes to the Federal Government, to be used either for general purposes or for reinvestment in the TVA power system.

Congress gave TVA specific direction to charge the lowest possible rates consistent with making the power program self-supporting and self-liquidating.

It is a matter of fact that the income which the Federal Government receives from TVA's power operations exceeds the income taxes which a private utility would pay if it owned and operated the system.

I hope, Mr. Chairman, that Members of the House will give very earnest study to this question. The TVA is a great and tremendously important national asset. It was created by the Congress and told to do a specific job. How well it has done that job the record of the last two decades will testify.

It would seem to me that the basic facts in connection with this Government corporation should be studied most carefully particularly by all Members of the House, to the end that we shall not continue to face each year a situation in which so much apparent misunderstanding of the facts appears. There is a deal of difference between a philosophy with reference to public power and the facts and figures in the TVA operation.

The following correspondence, I believe, will be of interest to the House:

FEBRUARY 11, 1954.

Mr. LEWIS L. STRAUSS,
Chairman, Atomic Energy Commission,
Washington, D. C.

DEAR MR. STRAUSS: In disapproving a request by the Tennessee Valley Authority for funds to begin construction of the proposed Fulton steam plant, the Bureau of the Budget suggested as an alternative that TVA be relieved of its commitment of around 600,000 kilowatts of the load being made available to the Atomic Energy Commission. Under this proposal private utilities would build plants to make up this deficit to the AEC.

As you may well understand, this is a matter in which the power consumer of the Tennessee Valley region are intensely interested since it involves the question of an adequate power supply for that area.

It is one also in which all the American people have a vital interest because it appears that such an arrangement inevitably will cost the Government considerably more in the long run.

As you know, a minimum of approximately 3 years is required to construct and place into operation a steam generating plant.

I have not yet been successful in efforts to obtain any definite information about any negotiations entered into or contemplated for carrying out the suggestion of the Bureau of the Budget that AEC depend on private utilities for a half million kilowatts now being supplied or to be supplied by TVA. Appropriations for the next fiscal year will be approved within the next few months.

In view of these circumstances, and because this is a matter of the most urgent importance to the whole economy of the Tennessee Valley region, I believe we should know at this time just what the status of negotiations, if any, may be insofar as putting into effect the recommendations of the Bureau of the Budget.

Has the Atomic Energy Commission reached such a point in any negotiations that you feel confident that, as of any certain date, you will be able to obtain from privately built steam plants the amount of electric energy you will require?

Are you in a position to give to the Congress estimates on the cost to AEC of 600,000 kilowatts obtained from privately built steam plants, and a comparison of that cost with the present cost of TVA power?

I hope you will understand, Mr. Chairman, that I am seeking this information because I believe it to be necessary before the Congress can act wisely on appropriation bills for fiscal year 1955.

As I see it, your own appropriation as well as that of TVA is involved here. Unquestionably the AEC appropriation, now or in the near future, must of necessity contain funds for the purchase of this private power if the administration's policy as set forth in the budget is to be made effective.

In my own opinion we should not take an unnecessary risk at this time, a risk that involves not only a large load of power needed by the Atomic Energy Commission, but power necessary for the normal needs of the Tennessee Valley area.

Unless there are presently some more specific plans for supplying the Atomic En-

ergy Commission's power needs than have been made public or given to the Congress, then I believe we will be taking a great risk if we do not proceed with the construction of the Fulton plant.

I shall deeply appreciate whatever information you may give me on this extremely important question.

With best wishes, I am

Sincerely yours,

MARCH 19, 1954.

Mr. LEWIS L. STRAUSS,
Chairman, Atomic Energy Commission,
Washington, D. C.

DEAR MR. STRAUSS: With further reference to my letter of February 11, 1954, and your reply thereto, I feel that it is now more imperative than ever that the exact situation with reference to the budget proposal to relieve the Tennessee Valley Authority of its commitment of 600,000 kilowatts to the Atomic Energy Commission be clarified.

My reason for taking this position is the information I have received in the last few days that the Atomic Energy Commission has requested that the Tennessee Valley Authority supply an additional 200,000 kilowatts of power for use at the Oak Ridge plant.

You explained in your letter that an offer had been made to the Commission with reference to the 600,000 kilowatts and that it was being considered as the basis of further discussions with the Bureau of the Budget and that you would let me have the detailed information as soon as it was available.

The Subcommittee on Appropriations, as I understand it, is now in the process of marking up the independent offices appropriation bill for the next fiscal year. Very shortly that bill will be reported to the House of Representatives for consideration.

Under the circumstances it appears to me that Members of the House from all parts of the country, and particularly from the Tennessee Valley area, will be placed in an extremely uncertain and difficult situation unless at that time we can have some assurance that the power needs, both of the Atomic Energy Commission and the private consumers in the Tennessee Valley area, are to be met adequately and economically.

If there is not some reasonable assurance that the load of 600,000 kilowatts plus the new request for 200,000 kilowatts can be made available without a very serious consequence to the economy of that area, then the Congress should have that assurance before consideration of the appropriation bill.

If the cost of private power under the terms of the offer that has been made to the Commission will be greatly in excess of TVA power, then certainly the Congress should have that information.

Without any desire or intention of appearing to be impatient in this matter, I do feel that the Congress needs a very clear picture of the present and contemplated future circumstances in connection with this entire matter if the Congress is to act wisely and in the public interest.

With best wishes, I am,

Sincerely yours,

UNITED STATES

ATOMIC ENERGY COMMISSION,
Washington, D. C., March 26, 1954.

Hon. J. PERCY PRIEST,
House of Representatives.

DEAR MR. PRIEST: In response to your letter of March 19, 1954, the discussions with the Bureau of the Budget on 600,000 kilowatts of power covered in our previous letters of March 5, 1954 and March 22, 1954, concerned the possibility of relieving TVA of this amount from their present contract commitment to furnish 1,205,000 kilowatts for the gaseous diffusion project at Paducah, Ky.

The AEC contracts with TVA for the Oak Ridge area now provide for the power required to operate the major production facilities including the expansion authorized by the Supplemental Appropriations Act of 1953.

Recently, to provide for additional new load at Oak Ridge in the amount of 200,000 kilowatts, the TVA was requested to submit a proposal for the supply of this additional power. This power will be used to operate new facilities now under construction for which funds were provided in the Appropriation Act of 1954, and for facilities for which funds are being requested in the 1955 Budget Estimates, now before the Congress.

The Bureau of the Budget is considering both problems together. Recent discussions with them indicate their appreciation of your concern and their plan to draw the studies to a conclusion as rapidly as possible.

They have pointed out to us the President's Budget Message indicated that, in the event negotiations for furnishing these load requirements for the Atomic Energy Commission from other sources are not consummated as contemplated, or new defense loads develop, the question of starting additional generating units by the Tennessee Valley Authority will be reconsidered. Representatives of the Bureau of the Budget have stated that, if under these circumstances, it becomes necessary to reexamine the question, this will be done in time to allow TVA to submit a supplemental request for consideration by Congress during this session.

Sincerely yours,

K. D. NICHOLS,
General Manager.

(Mr. PRIEST asked and was given permission to revise and extend his remarks.)

Mr. SMITH of Virginia. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I rise at this time in order to clarify, if I can, the misunderstanding that seems to prevail with respect to the point of order which I made yesterday in regard to public housing. I would like to put in the RECORD just what the situation is.

In the bill of last year the following language was contained:

The Administrator shall not "after the date of the approval of this act, enter into any new agreements, contracts, or other arrangements, preliminary or otherwise, which will ultimately bind the Public Housing Administration during fiscal year 1954 or for any future years with respect to loans or annual contributions for any additional dwelling units or projects unless hereafter authorized by the Congress to do so."

Now, that effectively put an end to public housing. That is the law today. No public housing except that already contracted for.

Now, the bill on yesterday contained this provision:

Provided further, That notwithstanding the provisions of the United States Housing Act of 1937, as amended, the Public Housing Administration shall not, with respect to projects initiated after March 1, 1949, authorize during the fiscal year 1955 the commencement of construction of in excess of 20,000 dwelling units.

It was contended that this 20,000 was put in there because they were houses that were not new, that were already contracted for when we passed last year's act. That may or may not be correct. But, this language was such that it was feared that it affected or repealed or

modified the language of the previous year.

What I was seeking to do and what we did do by obtaining the elimination of this language was to see that existing law remains as is. Last year we put a stop to public housing after the completion of the contracted units. By that amendment which was in the bill yesterday, the provision that was stricken out, it was uncertain whether or not that would revive the authorization of public housing, so the purpose of my point of order was to see that the law remained intact. Now, if we are obligated to build 35,000 units, I do not care whether we build them this year or next year. What I am seeking to do is to keep the door closed on the thing we did last year to definitely and finally end public housing. It was quite clear from the debate last year as to what happened and what Congress intended. It was the positive understanding of this House that there was an end to public housing by the language which was reported in the independent offices bill of last year.

And, I want to quote from some of the members of the committee who wrote that language. I quote from one member of the committee who wrote that language:

We have cut out what is described by the gentleman from Virginia, in essence, as socialized housing, which is expensive, uneconomical, and political. The testimony before the committee indicates that public housing is expensive, that the average cost of a house is \$14,000, and they can be built better, as a rule, by private builders for less money. It is uneconomical; it is highly political.

And, may I add, is still highly political.

I quote from another member of the committee who helped draft that language:

I do not want any misunderstanding. It was our intent, and so far as I am concerned, it is my earnest desire that we meet this issue foursquare. I hope that by that language we are terminating public housing, as such, forever and through all eternity, because I believe it is the most monstrous, un-American, uneconomical, socialistic, and expensive legislation ever written by any Congress in all our history.

Now, that is language of members of the committee who wrote it, and it was the clear intention of Congress that the act of last year close the door and completely do away with public housing, with the exception of the houses that were already contracted for. Now, if you contracted for 35,000, I do not care whether you build them this year or next year, just so this door remains closed, and it does remain closed by the action of the House on yesterday in striking out the clause which would have changed the law.

Mr. CANFIELD. Mr. Chairman, I move to strike out the last word.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from California.

Mr. PHILLIPS. Can we agree on a limitation of time on this amendment only? Mr. Chairman, I ask unanimous consent that all debate on this amend-

ment close in 15 minutes, the last 3 minutes to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. SUTTON. I object, Mr. Chairman.

Mr. CANFIELD. Mr. Chairman, I rise at this time to read to the Committee a United Press dispatch that I have just culled from the wires of the teletype machine in the lobby:

Speaker MARTIN said he expects Congress to give the administration a go-ahead on commitments for the construction of about 70,000 public housing units in the next 2 years.

This would be in line with President Eisenhower's request for a 4-year program of 140,000 public housing units.

MARTIN told reporters he saw no confusion in what the House did yesterday on public housing. A proposal to limit public housing commitments to 20,000 in the next fiscal year starting July 1, was stricken from an appropriations bill.

MARTIN said the effect of this was to give the administration authority to commit the Government to the subsidizing of 35,000 additional units next year.

The 35,000 units for the following year will be authorized, MARTIN continued, in a general housing bill which the House planned to take up later today.

The general housing bill, as presented to the House, contained no provision for additional public housing commitments. MARTIN said the Republicans would support an amendment providing for the additional 35,000 units.

Mr. PHILLIPS. Mr. Chairman, will the gentleman from New Jersey [Mr. CANFIELD] yield for a unanimous-consent request?

Mr. CANFIELD. I yield.

Mr. PHILLIPS. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 25 minutes, the last 4 minutes to be reserved to the committee. That would bring us to 2 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from California [Mr. PHILLIPS]?

Mr. COOPER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COOPER. As I understand it, the request refers to the pending amendment and any amendments thereto.

Mr. PHILLIPS. That is correct, the last 4 minutes to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from California [Mr. PHILLIPS]?

There was no objection.

(Mr. PATMAN by unanimous consent yielded his time to the gentleman from Tennessee [Mr. EVINS].)

(Mr. BOLLING by unanimous consent yielded his time to Mr. YATES.)

(Mr. KRUEGER by unanimous consent yielded his time to Mr. JONAS of North Carolina.)

(Mr. RAINS asked and was given permission to extend his remarks in the RECORD at that point immediately following the remarks of the gentleman from Illinois [Mr. YATES].)

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Chairman, I should like to say that I agree with the gentleman from Virginia [Mr. SMITH]. I think his interpretation of the existing law is correct. The language that went into the appropriation bill last year, in my judgment, terminated authority for construction of new units. It was never the intention of our committee at any time to prevent the construction of any units which were the subject of firm contract previously entered into between the Government of the United States and various housing authorities. The committee recognized the validity of such contracts at all times. I pointed this out to the House yesterday when I argued the point of order, and subsequently, the majority leader agreed with me.

With respect to what my good friend from New Jersey [Mr. CANFIELD] has said regarding the statement of Speaker MARTIN appearing on the teletype, let me say that I am glad to see that Speaker MARTIN has approved the construction of 35,000 housing units. But remember, Mr. Chairman, these are units that were authorized during a Democratic administration; as of the present date, there is no authority for the construction of new housing units. There will be none, apparently, unless it is inserted in the new housing bill. It will be interesting to see whether the President's party will vote for such authority. Certainly, they never voted for appropriations for the purpose.

I certainly hope that when the housing bill is brought to the floor, appropriate authority will be voted for the construction of sufficient units in accordance with the President's program. What has happened to that program? I do not know how Speaker MARTIN obtains the impression that 70,000 units are going to be constructed this year. As the law now stands, only 35,000 are provided for. If the Speaker proposes an additional 35,000 he will be opposing the President's recommendation, for the President asked for 140,000 new units, not 35,000 new units. He did not include in his program units which had been authorized by the Democratic administration over 2 years ago.

That is the housing picture at this time. It seems that the gentleman from Virginia [Mr. SMITH] and I are in agreement as to what the picture is, even though yesterday it appeared we were at opposite ends. In effect, we are now completing the liquidation of the public housing program which began last year.

Under existing law, under a decision of the Comptroller General of the United States, the Public Housing Authority can proceed to the construction of 35,000 housing units. I certainly hope and trust that the Public Housing Authority will not go back on its agreements with the various municipal housing authorities but will continue to respect its commitments, and that that number of units will be constructed.

Mr. RAINS. Mr. Chairman, the Appropriations Committee, dominated and

controlled, of course, by the Republicans, seek by unreasonable cuts in appropriations to strangle TVA, to "let it die on the vine."

The paralyzing effects of the committee's action is seen in the effort to reduce the appropriations by \$38,218,000, and yet at the same time directing the Tennessee Valley Authority to make total expenditures in accordance with the President's budget, with the exception of a \$600,000 reduction in the resources development activities.

Of the total corporate funds to be used, instead of appropriations, approximately \$37 million, would come out of power proceeds, thus denying to TVA sufficient operating capital. Clearly this is aimed at only one objective, force up rates of TVA on the users of electric power in the TVA area. Of course, the attendant result will be an immediate increase of rates of all private power utilities as soon as the TVA "yardstick" is broken. The amount of \$40 million, which the TVA by its budget hopes to reserve for possible emergencies and contingencies which may arise in connection with the TVA program, is not large, for the operation of a power system with a capital investment of over a billion dollars, and whose gross revenues for the years 1954 and 1955 is expected to be approximately \$335 million, and whose direct expenditures estimated to be above \$260 million.

Without adequate working capital, no business could long operate profitably. Normal business operations require fast adjustments to frequent changes in operating conditions, cash must be in hand to meet contingencies and to grasp opportunities. The world's largest automobile manufacturer maintains liquid assets ranging up to \$312 million, or 8 percent of the total assets. The world's largest steel company has had liquid assets of \$322 million or 11 percent of total assets, and the world's largest chemical company has had liquid assets of \$266 million or 15 percent of total assets. In the electric utility field, the Detroit Edison Co. has found it desirable to have liquid assets of about 9 percent of its total assets, the Arkansas Power & Light Co.'s liquid assets have exceeded 8 percent of total assets, and up to 10 percent of the assets of the Cleveland Electric Illuminating Co. have been in liquid form.

The drastic action of the House Appropriations Committee would reduce the working capital of TVA power program to only \$3 million, less than one-half of 1 percent of total power assets. No private power utility would think of attempting to operate on such low percentage of working capital. What is the purpose of this drastic action on the part of the Appropriations Committee? It is apparent that the end sought is not more efficient operation of TVA, because not even TVA's worst enemy can charge inefficiency. This, in my judgment, is a deliberate effort to hamper and hamstring the TVA in carrying out the basic act of TVA, and is aimed to bring about an upward trend in all utility rates.

The bill, as reported by the Appropriations Committee, and as presented to the Rules Committee, had, contrary to the rules of Congress, several items of legislation, all of which would have been greatly injurious to TVA. Thanks to the action of the Rules Committee in not granting a rule waiving points of order on these legislative riders, we have been able to eliminate from this bill these drastic provisions relating to interest and resale rates. But the subcommittee shows its hand and its feeling with reference to TVA, by incorporating these legislative riders in the bill. What are they, and what will they do to TVA?

The bill requires TVA each year to pay interest upon the investment in the TVA power system derived from appropriations, including construction in progress, or from transfers of property by other agencies. The interest rate is to be the Government's average interest cost on the public debt. The interest requirement is to be superimposed upon the existing requirements under the Government Corporations Appropriation Act, 1948, for the amortization of the appropriation financed investment in power facilities. This requirement is wrong in principle, subversive of good management and sound business, and deprives consumers in the Tennessee Valley area of the assurance of adequate electric service.

Even though referred to as a requirement for payment of interest, actually the payments would be in the nature of dividends. TVA is wholly owned by the Federal Government, all of its earnings belong to the United States, and any payments—other than for the return of capital, for which provision is already made in the 1948 act—are really dividends, whatever they may be called. Charging interest might be appropriate if the owner of TVA was content with the role of creditor and exercised some of the prerogatives of ownership. But TVA is under continuous congressional supervision, and congressional control is frequently exercised in ways having substantial effect upon costs.

In any well managed organization, dividends are paid when earnings are available in excess of those required for the successful and profitable operation of the enterprise including such working capital and contingency reserves as prudent operation of the particular business requires. The effect of the bill, therefore, is not merely to attempt to legislate a level of profits but also to require those profits to be paid each year irrespective of fluctuations in business conditions, earnings, or of the requirements for the operation of the business.

TVA, like any electric utility company, has a public service obligation which should transcend every other consideration. The continuous availability of an adequate supply of power is essential in our modern economy. Five million people in the TVA area are wholly dependent upon TVA as the source of their power supply. This public service obligation requires large outlays for transmission and substation facilities quite aside from the requirements for generating units which are financed en-

tirely from appropriations. Such outlays should be a first charge upon net revenues.

Paradoxically, the proposal for imposition of a minimum dividend requirement comes at a time when no funds are provided for new starts on electric generating capacity. As a result, TVA would be required in future years to make greater use of its higher cost steam plants than would otherwise be the case with a resultant adverse effect on profits.

It may be noted that the so-called interest requirement stipulates a formula for determining the applicable rate of interest which goes beyond the announced purpose "to repay the taxpayers of the country the amount the taxpayers must pay in interest on the money to finance the TVA power program." The standard is to be the interest cost on the public debt which includes nonmarketable issues, the interest rates on which are entirely arbitrary.

The power supply contract under which TVA sells and locally owned distribution systems by electric power includes an agreement by the distributor as to the rates which the distributor will charge in reselling the power to the ultimate consumer. This provision is included in the TVA contract in order to carry out the stated objective of the TVA Act that the benefits of the Federal investment in TVA's power system shall be spread as widely as possible in the area in which TVA operates. The basic act directs that TVA projects be considered primarily as for the benefit of the people of the section as a whole and particularly the domestic and rural consumers to whom the power can economically be made available, and that sales to industry be a secondary purpose. Section 10 of the act specifically provides for the inclusion of resale rate schedules in power contracts. The effect of the proposal of the Appropriations Committee is both to amend the act and to defeat its purpose.

The committee report, in the single sentence devoted to this matter, says merely that the committee does not believe it is good policy for the TVA to interfere in the business of municipalities and local units of government. This assumes that the Federal Government has no interest in the level of rates charged the ultimate consumers for power produced at Government projects. It implies also that the people of the area regard resale rate agreements as interference. Neither of these implications are true.

The broad purpose of the TVA-power program is to promote the prosperity of the Tennessee Valley region. Without such a contract provision the benefits of the Federal investment in the TVA dams and steam plants might never reach the people or help to build a stronger and more prosperous economy.

Without such agreements each local community would be subjected to great pressures both to divert the benefits of the TVA-power program to some limited group or interests and to compete with every other community in the region and elsewhere for industrial customers by making discriminatory rate concessions

either to industries as a class or to specific industrial customers. Such concessions would be at the expense of small consumers, householders, farmers, and small-business men. If even a few of the 148 distributors should be forced to yield to such pressures the others would be under almost irresistible compulsion to do the same.

Every State in which TVA sells large amounts of power has adopted legislation specifically authorizing municipalities, cooperatives, or both, to enter into contracts containing resale rate schedules. The establishment of the prevailing rates to consumers by an agreement with TVA is a part of the public policy of the valley States. The distributors and consumers of TVA power far from regarding such rate schedules as an interference consider it a necessary and stabilizing feature of the power supply arrangements of the Tennessee Valley area.

The power consumers of the whole country have a stake in the committee's proposal. The resale rate schedules have established a national pattern for increased consumption, higher load factors, and lower unit costs of generation and distribution. It is the universal opinion that the force of the example in the Tennessee Valley area has stimulated the utilities to increase their load building activities and to reduce their unit costs, with the result that electric rates in the Nation have not followed the inflationary spiral to nearly the same extent as other commodity prices, while at the same time electric company profits have been maintained and increased. The destruction of the TVA example would invite the electric utilities to abandon the progressive principles of operation which they are now beginning to put into practice.

Adoption of this proposal would deal a great blow to the small consumer of the Tennessee Valley area. He has been encouraged to increase his use of electricity to twice the national average because of his faith in the stability of the electric rate structure in the area. If Congress should set aside the resale rate provisions, there would be an immediate impact upon his willingness to purchase new appliances as well as his willingness or ability to continue to use those which he has already purchased.

In the face of the general satisfaction in the area with the prevailing method of establishing resale rates and the regional and national interest in preserving such rates, it is difficult to see any valid reason for the committee's prohibition with respect to resale rate schedules, and the committee report suggests none.

The committee would deny any appropriated funds for resource development and place a ceiling of \$600,000 on corporate funds used for resource development. Last year the committee recommended complete elimination of this program. At that time TVA said:

While this reduction in money represents only about 1 percent of the total amount approved, the action of the House, if sustained by the Senate, would destroy TVA's effectiveness as a regional development agency. * * * The activities eliminated by

the action of the House establish an essential link between river control operations and the institutions and people of the Tennessee Valley—between engineering works and the people for whose use such works are built. * * * The methods by which these activities are carried on encourage State and local institutions to accept increasing responsibility for comprehensive work in regional development. * * * We are convinced that this furtherance of State and local activity in the resource development field is the key to lasting accomplishment in regional development.

Our conviction as to the worth of this program and its contribution to the effective development of the Tennessee Valley's resources has not changed.

This is not a new program; its methods have been thoroughly tested, and they have been productive in the past. Nor is it an expanding activity; it is the remainder of a program which required about \$4 million of funds as late as 1947. Expenditures in the program since 1947 consistently have declined as State and local agencies have gained strength. But the timing of Federal assistance is critical, and a ceiling of \$600,000 will, for all practical purposes cause the disappearance of this program as an effective instrument in the region. It will force the premature abandonment of partly completed experiments which are important not only to the region but for the Nation.

The repudiation by the House committee of TVA's resource-development program contradicts national policies which are receiving increasing endorsement and acceptance. It will set backward the development of adequate State and local resource programs in the region, it will terminate a small watershed program of great promise, and it will destroy the only Federal forestry program which emphasizes the potentialities of private ownership, rather than Federal ownership of forest land. As examples of TVA resource development, we believe that both the watershed program and forestry activities are worthy of the committee's reconsideration.

It is not the time to abandon the only well-established experiments and demonstrations in tributary watershed development in a region where farm income, erosion control, and rural depopulation are still serious problems, during a year when a State has first indicated that it will start such a program. Only 2 months ago the governor of one of the valley States wrote TVA:

We are now prepared to assume a leading part in the rendering of technical and professional advice and assistance to local groups in such localized (watershed programs). * * * We will necessarily need to continue to look to TVA for substantial assistance in making such a program a success.

So far as is known this is the first time in the Nation that a State government has undertaken to set up its own watershed program; its initiative should be encouraged.

It makes no sense to abandon the TVA forestry program at this time. In a region in which 82 percent of the forest lands are privately owned, where useful forest growth could be trebled, at a time when large-scale wood-using industry is experimenting with plant location in

the valley, activities directed toward reforestation, forest protection, and better forest management are of critical importance. As a Federal program directed exclusively toward assisting improvement of privately owned lands, which does not depend on Federal ownership, TVA's record is well known. To capitalize on past efforts, this program must be allowed to run its course rather than being brought now to an untimely end.

TVA, Mr. Chairman, is a boon and a blessing not only to the people of our area but to all America. It has been and is the strong right arm of our Nation in time of peril, a great and dynamic force for the development of our country.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. JONAS].

Mr. JONAS of North Carolina. Mr. Chairman, no one has heard me criticize TVA or the people of the great State of Tennessee in this Chamber or elsewhere. All down through the years they have been loyal, patriotic, industrious, and courageous. I know of no greater people in the United States. May I add that one of the things that made them great is the fact that at one time they were citizens of the great State of North Carolina. We were sorry to lose them. We would like to have them back.

I am not trying to do anything to TVA. I have taken the position simply that TVA is now a full-grown giant engaged in the business of distributing power—the biggest power system in the United States.

My attitude toward TVA is that of an indulgent parent that asks himself when his son reaches voting age, has a family, a booming business, and bank account, yet still comes back home for a big hand-out: "Won't that boy ever make his way by himself?"

I would say to TVA, "Since you have received \$1¾ billion from the Public Treasury of the United States, and since you are the biggest power system in the United States with an income from the sale of power of more than \$200 million per year, you ought to be able to finance your own future operations."

With respect to whether there will be a shortage several years hence, let me remind the committee of this fact, one that I pointed out last Monday: TVA this year is obtaining from 11 to 12 percent of all the power it distributes from private power companies operating around the periphery of the Tennessee Valley area. The record will show that three of those companies have proposed to furnish TVA all of the additional power TVA will need in 1957—at what kind of rate? At a rate which will be approved by the Federal Power Commission. What could be fairer than that?

Many speeches have been made on this floor, this year and last year, claiming that TVA is entitled to most of the credit for bringing electricity to the rural people of the Tennessee Valley.

I would not take away any credit from TVA that it deserves, but I think some of the proponents of expansion for TVA are giving that organization more credit than it is entitled to for development of

rural electrification in the Tennessee Valley.

I invite their attention to the following facts with respect to rural electrification in the great State of North Carolina. Most of the people in our State are proud of the development of this program to bring electricity to the rural areas in our State. I am certainly a supporter of REA and expect to continue to advocate and support the expansion of that program. But listen to these facts:

On January 1, 1954, there were 154,000 farm family consumers of cooperative electricity in North Carolina. They represented some 600,000 individuals, and in addition, some 14,000 organizations such as churches, schools, rural stores, and rural industries were likewise being served to bring the total of connected consumers up to 168,000.

Nearly 40,000 miles of electric line has been erected to serve these consumers of the 300 million kilowatt-hours of power which they used in 1953. This power was used to operate 126,000 refrigerators, 120,000 washing machines, 50,000 water systems, 51,000 electric ranges, 33,000 water heaters, and 21,000 home freezers. In addition, many items of farm equipment were being operated by electricity. It is estimated that the consumers of this power in North Carolina have already invested over \$200 million in electric appliances and equipment.

Today more than 94 percent of rural North Carolinians have electricity.

The REA organizations in North Carolina, of which there are 32, have accomplished these results by using \$71 million in construction loans. They have repaid nearly \$10 million of these loans and about \$5 million in interest. All of them are either up to date or up to schedule in making principal and interest payments.

May I add, in conclusion, that all of this has been accomplished without any help from TVA and without any grants or subsidies from the Federal Government. The Federal Government has advanced money for the construction that was necessary in the program, but the consumers of REA electricity in North Carolina are repaying the borrowed money plus interest.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. OLIVER P. BOLTON].

Mr. OLIVER P. BOLTON. Mr. Chairman, I rise because of the suggestion made by my good friend from Tennessee [Mr. PRIEST] that if the atomic plant needed more power it would certainly get it but that the consumers in the Tennessee Valley who are now getting power would then lose it. I submit to my friend, if those companies are to lose that power, I would like to read the names of a few of those companies who are presently benefiting from the low cost power and our subsidies in the Tennessee Valley. Tennessee Eastman Corp., the Knox Forstmann Co., the Bemberg Rayon Co., Atlas Powder Co., Monsanto Chemical Co., Du Pont, National Carbon, B. F. Goodrich, Armour, Firestone, Continental Can, and so forth.

Mr. Chairman, it seems to me if the choice is between appropriating more taxpayers' money in order to provide

these companies with low cost power or between requiring those companies to buy their power from private utilities at rates which private utilities can afford to sell, then the choice is easy for us.

The question of appropriating more and more federally collected tax money for expansion of the Tennessee Valley Authority has been argued on this floor and in committee rooms of the House many, many times in the past.

On most of those occasions the arguments have been pro and con on the theory of Government or publicly owned power versus privately owned power.

I prefer to leave the theory of the question for argument by those better qualified than I am to debate them. I would like to talk about another phase of this problem which is of prime importance to me as a Representative from Ohio, particularly from the Eleventh District of Ohio.

And I am sure that what I say is of equal importance to the gentlemen from Michigan, from Pennsylvania, from California, New York, all of the New England States, Illinois, Indiana, Texas—in fact I am sure of the importance of this to all the gentlemen from all of the States except perhaps Tennessee, itself, and to those from some districts of a half dozen other States which fall within the area of direct influence of TVA.

I want to discuss jobs—and I mean the jobs of the average American workingmen. I want to discuss the living standards of those workingmen and of their wives and children. I want to keep in mind the investments in homes and towns that those workingmen have made, and which we are duty bound to protect. I think about the taxes that those same workingmen have paid and are paying now, and about the taxes that they and their children will have to continue to pay as far into the future as any of us now can foresee.

I am concerned about the jobs, the taxes, and the living standards of the average American when I think about the TVA, and particularly so when I think about this Congress appropriating more money for one particular phase of TVA—I mean the appropriation of more money for the building of enormous, expensive coal-fired electric generating plants to make electricity with coal in the Tennessee Valley.

I am distressed and puzzled when I think of this Congress appropriating tax money collected from people across the entire country to build coal-operated electric plants in one locality, to build up that locality in such a fashion as to reduce opportunity for the workingmen of all other localities—the other localities being the principal source from which these same tax moneys were derived.

The Tennessee Valley Authority has today—and I am quoting His Excellency, the Governor of Tennessee—"a hydroelectric generating capacity of 3,291,435 kilowatts and 1,836,550 kilowatts of steam power."

That means that today more than one-third of the total power output of TVA is coal-generated. It means that some 35 to 36 percent of the generating capacity has nothing at all to do with dams or

waterpower, but simply comes from coal-burning powerplants such as are built and operated throughout our land with the exception of those places where natural or manmade water impounding has made waterpower possible.

That means that Congress, in the past, has appropriated hundreds of millions of dollars for building steam generating plants and transmission lines to benefit one area of our country and to help that area to outstrip in industrial growth and in job opportunities other areas which are just as deserving and which should be given at least an equal opportunity with Tennessee.

I believe that the people of this country were in sympathy with that Congress of years ago which created the TVA, since the purposes of that creation, as we know and as most of the people know, were threefold:

First, to prevent disastrous flooding of the great Tennessee Valley; second, to improve navigation on the Tennessee River and its tributaries; and third, incidentally, to make use of such waterpower as the flood control and navigational improvements might make possible.

That is what the original congressional authorization provided.

But what do we have now?

We have an enormous Government-financed, Government-owned, and tax-subsidized power producer, tremendously enlarged by the type of generating plants that could as well be built in any part of the country, actively and insidiously engaged in wooing industry—and incidentally workmen's jobs—away from every other part of the country to the Tennessee Valley Authority area.

Every city and town in Tennessee that has a chamber of commerce, or a board of trade, or an industrial council, or any kind of a committee for industrial expansion has become a militant TVA salesman to all industry—and I mean big industry and big business. These cities and towns are working in every way possible to get industry and business to Tennessee—either to move plants there from other localities, or to influence them to locate their plants there when expansion or enlargement programs are undertaken.

Now this program of selling TVA by the towns and cities of Tennessee is understandable, and from their viewpoint at least, extremely commendable. But what are the special inducements most generally offered by chamber of commerce salesmen of TVA areas? Certainly the great State of Tennessee has many advantages to offer, but there are two that seem to be going hand in hand, more and more. These two advantages are cheap power and cheap labor.

I have here a very fine example of what I am talking about. This happens to be the creation of the Governor's Industrial Council, Department of Conservation—and please note that "conservation"—of Nashville, Tenn.

I would like you to notice that in summing up the advantages of Tennessee as a haven for industry, this very excellent sales brochure has this to say:

Because of central location, low-cost power, waterway access to gulf ports, available raw

materials, ample loyal labor, etc., etc., possibly Tennessee is the place for your plant.

In the name of justice, is it not enough that the people of the rest of the country provide Tennessee with navigable streams, waterpower, flood control, and natural resources conservation, without also building coal-operated powerplants to enable them to sell cheap power to industry to do economic injury to the rest of the Nation?

Just about a year ago, out in Indiana, the town of Madison believed for a time that its natural advantages, plus its progressive citizens, its supply of excellent labor, and other progressive steps by the city itself had earned for it the location there of a sizable aluminum-producing plant. But what happened? This industry needed a great supply of power, since enormous amounts of electrical energy are used in reduction of aluminum ores. The plant, and the jobs, went to the TVA area because of cheap power.

Now I am in favor of cheap power, or cheap automobiles, or cheap porter-house steak for all of the people. I am in favor of low-cost electricity for homes and factories. But I also am in favor of having electric bills paid by those who use the electricity, and that is not the case for the fortunate folks who live in the TVA area, or for those industries which have plants there.

I want to quote once more the Governor of Tennessee, Mr. Frank G. Clement, who, in a letter to the President of the United States, wrote proudly that—

The average domestic (electric) consumer in the (TVA) region uses approximately twice as much electricity as the average for the entire Nation, and pays only half as much per kilowatt-hour.

That is all very fine for the average domestic consumer in Tennessee, but what the good governor did not say, is that the average domestic consumer of electricity in Ohio, Indiana, Illinois, Pennsylvania, New York, California and all of the other States pay in taxes for that other half of the Tennessee folks' electric bills.

I have no argument against the flood control, the navigational improvements, the hydroelectric features, or the conservation developments of TVA, but I do have plenty of argument with the idea of subsidizing one section of the country, with tax money collected in the rest of the country. It becomes a form of economic self-destruction that we as Congressmen are wrongfully forcing our people to accept.

I cannot understand how our great labor unions can stand quietly by and see this Government-financed program of industry pirating, this shifting of jobs to cheap labor areas, go unchallenged by them.

I say that the people of the States most of us represent, pay the taxes that make TVA advantages possible for the people of Tennessee.

I maintain that if Tennessee is entitled to tax money to build coal-operated powerplants to serve industry at rates that amount to about one-half what industry could provide for itself, then the rest of the country is entitled to that kind of treatment, too.

But, if the other 47 States were to have public-power developments authorized by Congress that would be equal in each State to just the coal-operated power development in Tennessee—and in light of the TVA development why should they not?—we might as well put the Government in charge of all power production and let private enterprise die in that field.

If such a thing were done, however, our additional tax burden, together with our loss of tax revenue would be so staggering that even the most avid public-power exponent would tremble at the prospect.

Some of our past Congresses have sold the workmen of my State down the Tennessee River.

And for the benefit of you gentlemen who sit on the other side, politically, I might add that these are a few of the concerns to which in the past you have voted taxpayers' subsidies in the form of tax-financed low-cost power:

Tennessee Eastman Corp., Knox Porcelain Co., Bemberg Rayon Co., Atlas Powder Co., Monsanto Chemical, E. I. du Pont, National Carbon, B. F. Goodrich, Armour, Firestone, Continental Can, General Motors.

If further expansion of power facilities is desired in Tennessee—more power to that area—but let the resource and initiative of its own citizens, not of the rest of the country, put it there.

(Mr. OLIVER P. BOLTON asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. CLARDY].

Mr. CLARDY. Mr. Chairman, you know it makes me feel kind of bad to have to oppose this amendment, especially since my favorite candidate for Democratic nominee for Senator from Tennessee is on the other side. I hate to oppose him because I hope if they have to have a Democrat from Tennessee that it will be Pat. But just the same I want to make 2 observations, and 2 only, in order to record my opposition to the entire idea. This is a practical demonstration of the fact that when once you enter into a policy of socialism, there is no end. Once you start, and once the camel's nose is in the tent, then you are continually met with the argument that having started, you must not stop. I remember well when this idea was sold to us as a waterpower project. Now it is to be almost entirely a steampower project. So, my second point is that we are probably the easiest fooled people in the world. I am in opposition to the entire idea of the Federal Government subsidizing a certain section of the country. Public power is nothing but raw socialism. I am against it.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. EVINS].

Mr. ELLIOTT. Mr. Chairman, will the gentleman yield?

Mr. EVINS. I yield.

Mr. ELLIOTT. Mr. Chairman, I ask unanimous consent to extend my remarks in the Record at this point, and also to yield the balance of my time to the gentleman from Tennessee [Mr. EVINS].

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. ELLIOTT. Mr. Chairman, I rise in support of the Andrews amendment.

The TVA officials told the President, and the Bureau of the Budget, that they needed \$85 million with which to start new steam plants, at New Johnsonville, at Gallatin, at Fulton, and at John Savier, Tenn., in order to be able to meet the rising power needs of the Tennessee Valley. Under present conditions a shortage is expected in 1957.

The TVA is a utility serving the power needs of a large area. It is owned by the Government of the United States. We must give it an opportunity to make good. TVA has no statutory authority, as I understand it, to go to the bank and borrow money. Since TVA is owned by the Government of the United States, it must annually come to the Congress of the United States for funds with which to construct new facilities to meet the growing power needs of the area it serves.

So, in a sense, every Member of Congress is a member of the board of directors of the largest power generating concern in the entire world. In order to have electric generating capacity, when it is needed, the generators, in this case the steam plants, must be constructed in advance. The new steam plants must be placed on the line when they are needed if TVA customers are not to suffer.

There has been considerable talk outside the record, and I believe some mentioned in the debate here that there is very great reason to believe that before long the Government will have to call on TVA to furnish additional new thousands of kilowatts of electric power for the Atomic Energy Commission. The record is plain that by 1957, if there are no new calls by the Atomic Energy Commission, there will be a power shortage in the Tennessee Valley.

If TVA were a privately owned utility, there is no question but that its board of directors would sit down and anticipate future needs and gear its construction program to meet those needs.

The very worst thing we can do to TVA is to cripple its operations and thereby diminish its value. If allowed to operate as any well-managed power generating and distributing utility would operate, TVA bids fair, within a reasonable time, to pay back to the Treasury of the United States every nickel that has been invested in it, and at the end of the payback period, the Government will own TVA as a valuable national asset. I understand that TVA has been diligent to repay to the Treasury the amounts which it has been called upon to repay and, as a matter of fact, it is \$13 million ahead of schedule. If allowed to operate next year, without crippling restrictions, it will probably pay to the Treasury of the United States another \$40 or \$50 million.

The question is not whether you are for public or private power. We all recognize that there is ample room in our economy for the effective and efficient operation of TVA and of the private

power companies. As a matter of fact, if America continues to grow and if our defense needs continue to expand, then all our power resources, both TVA and the privately owned companies will be challenged to produce all the power possible.

In the long run, we will not help private power companies by destroying TVA. We should continue to encourage TVA and the privately owned power companies to work effectively to serve the needs of a growing economy.

I am aware of the problems, the cross-currents, the conflicts of opinion with reference to public and private power. A part of the Seventh Congressional District of Alabama, in Cullman, Franklin, and Winston Counties, is served by power from TVA. Other sections of the Seventh Congressional District are served by rural electric co-ops, draw their power from private power sources. In Walker County, my home, a private power company owns and operates the largest privately owned steam generating plant in the entire Southeast. Each of these power units, TVA, REA Co-ops, and privately owned power companies should be encouraged to do the best job possible.

I am for the Andrews amendment to give TVA the money to start the steam plants which it needs. If the Andrews amendment is voted down, I will vote for an amendment to raise the appropriation for TVA for the next fiscal year from \$103 million to the \$142 million recommended by the President's budget. To me the cut of the appropriation from \$142 million to \$103 million is indefensible. That cut has the effect of depriving TVA of the operating capital it needs.

TVA in the fiscal year 1955 will be burning coal at the rate of 15 million tons a year. Its coal costs, including those of transportation, will run in the neighborhood of \$75 million a year, or at the rate of \$6,250,000 per month. For TVA to stockpile coal for 90 days advance use, would cost nearly \$19 million. It is wrong to deprive TVA of its operating capital.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. EVINS].

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. EVINS. I yield.

Mr. COOPER. I am sure the gentleman will agree with me for the benefit of the distinguished gentleman from Ohio [Mr. OLIVER P. BOLTON] that it should be borne in mind that the industrial rate charged by TVA, and the industrial rate charged by private power is substantially the same.

Mr. EVINS. Yes, and it should also be pointed out that the TVA under the authority of the act has no power to borrow money, as suggested by the gentleman from Ohio. The TVA must come each year to the Congress for its appropriations for operating funds.

(By unanimous consent, the time allotted to Mr. JONES of Alabama and Mr. RAINS was given to Mr. EVINS.)

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield for a question?

Mr. EVINS. I yield to my friend from Alabama.

Mr. JONES of Alabama. Referring to the list of companies read by the gentleman from Ohio a moment ago, is it not a fact that in time of emergency these companies will be totally engaged in manufacturing defense materials?

Mr. EVINS. The gentleman is correct; they were manufacturing armaments and materials for defense.

Mr. JONES of Alabama. I presume then, if we had another conflict, they would turn to the production of armaments and implements for waging war, and consequently would be the beneficiaries of such a national defense program.

Mr. EVINS. I thank the gentleman for his observation. Mr. Chairman, what we have witnessed here, it seems to me, is a very shortsighted and narrow point of view with respect to the Tennessee Valley Authority. I like very much the statement of the distinguished ranking member of the Committee on Appropriations, the gentleman from Missouri [Mr. CANNON] when he made, what I term, a statesmanlike speech referring to the great national defense importance of the Tennessee Valley Authority and its tremendous contribution to the welfare of the entire Nation, and especially to the security of our country.

Mr. Chairman, we are beginning to become accustomed to the attacks of our colleagues, the gentleman from Pennsylvania [Mr. GAVIN], and the gentleman from New York [Mr. GWINN], who are the most ardent foes of the TVA both in and out of Congress.

The gentleman from New York [Mr. GWINN] a few years ago, it will be recalled, stated that literally hundreds of industries were lured down South into the TVA area, but he mentioned in his speech only one instance; he said hundreds, yet when he got down to stating cases he referred to only one industry. I took occasion to look into the facts of the situation of one industry cited and found that it had located in the Tennessee Valley in 1930. The TVA Act was not passed until 1933, and TVA power was not available to this particular county for more than 6 years later. So that industry cited as having been lured into the valley because of the availability of power had been located in the area more than 9 years prior to the time when TVA power was available in that area; and, of course, my colleague, the gentleman from Tennessee [Mr. BAKER] has already demonstrated that the Alcoa plant was located in the Tennessee Valley prior to the passage of the TVA Act.

Mr. Chairman, it is interesting to note the observations and remarks made by our very genial friend, the chairman of the subcommittee on appropriations, on independent offices, the gentleman from California [Mr. PHILLIPS] for whom I have a very high regard. The gentleman from California stated when he referred to TVA that the Committee on Appropriations has neither the intention nor the desire to destroy the TVA. Those are very nice words, but expressed in such a negative fashion. Instead of saying that TVA is a great agency of our Government, a great national asset, a great

agency for the welfare and the defense of our country, instead of praising the TVA, he starts out with a negative proposition, apologizing, if you please, for the action of the committee, I assume.

Mr. Chairman, I think a very important factor to be taken into consideration in connection with the operation of TVA is the money that TVA has returned into the United States Treasury. I have here, Mr. Chairman, a statement obtained from official sources of the Tennessee Valley Authority itself showing the amount of repayments into the Treasury of funds from the power operations of TVA. Beginning with 1945, the TVA provides a return on funds appropriated from power purposes, not for navigation and flood control, but on funds appropriated from power purposes into the Treasury.

Mr. Chairman, TVA turned into the Treasury in 1945, \$12,597,743.31; and similar amounts each year; in 1946, \$10,336,264.01; in 1947, \$3 million, roughly; in 1948, \$5 million; in 1949, \$4,174,482; in 1950, \$3 million; 1951, \$15,047,127.61; in 1953, \$22 million in round figures making a total of funds turned into the Treasury from the sale of power by the TVA since 1945 of \$79,598,165.57.

Mr. BAKER. Mr. Chairman, will the gentleman yield?

Mr. EVINS. Let me finish this statement and I will be glad to yield.

In addition to the revenue turned in by TVA on its power operations it has also redeemed bonds sold to the Treasury and the Reconstruction Finance Corporation over the years in a total amount of \$36,072,500.

The total amount of payments into the Treasury on both these accounts—power proceeds and redemption of bonds—totals up to \$115,670,665.57.

In other words, the Tennessee Valley Authority has repaid into the Treasury of the United States in excess of \$115 million; and in addition the TVA is a great national asset still owned by all the people of these United States.

Mr. BAKER. Mr. Chairman, will the gentleman yield?

Mr. EVINS. I yield to my friend from Tennessee.

Mr. BAKER. Does the gentleman from Tennessee know—and I state it as a fact—that for the fiscal year 1955 the sum of \$50 million is projected to be paid into the Treasury by TVA.

Mr. EVINS. Yes, that is my information and as the gentleman knows the TVA is paying into the Treasury annually large sums of money. The TVA is a highly successful and going operation.

Mr. EVINS. Yet there are those who want to snipe at the TVA—throttle it and kill it. To those who protest that they do not have in mind killing TVA I can only reply by paraphrasing Shakespeare, who said something about protesting too much.

It is difficult to reconcile actions of the Congress in voting billions of dollars for foreign aid and foreign relief and yet deny the reasonable and modest requests for capital investment and improvement of a great asset of our Government—the TVA—that benefits not

only the South, but the Nation as a whole.

We may recall that recently President Eisenhower prevailed upon former president of the American Chamber of Commerce, Mr. Eric Johnston, to make a visit to the Middle East with a view of building friends for our Government. The President requested Mr. Johnston to report back his recommendations on what course of action our Government could take to help the people in that area of the world. Mr. Johnston's report, upon his return, as many of us recall, recommended the building of a series of five hydroelectric power dams on the ancient Jordan River. He indicated that such a program would do more toward helping the people in that area of the world than any other action which our Government might take.

In other words, build a TVA on the Jordan River. What inconsistency—an administration that favors a TVA in the Middle East, but denies to the TVA in our own country adequate funds for its normal growth and development—all in the public interest.

Mr. Chairman, the amendment under consideration proposes to restore to the TVA budget \$85 million for beginning construction of eight additional steam-generating units—badly needed by the facility to supply future power needs of the area—for normal growth and demands and for national defense.

I for one cannot see why anyone would want to vote to cripple and impede the normal growth of a great section of our country and take a chance on impairing the national defense and security of our country.

I urge my colleagues to join the friends of TVA in supporting this amendment.

This additional power which these funds would provide is needed. It is greatly needed. A case has been fully made out—both before the Budget Bureau and the Committee on Appropriations that considered the TVA request.

The estimates of the best experts and authorities are all that during the next 3 years some additional 600,000 kilowatts of power will be needed and required by the Atomic Energy Commission at Paducah, Ky., and 200,000 additional kilowatts at the Oak Ridge plant has been recently requested.

All agree that these additional power requirements will be called for by the national defense.

Mr. Chairman, it has not been the expectation of any of us, following the President's own display of casualness toward TVA, that the great Appropriations Committee would deal generously and adequately with this agency in fiscal matters.

We Members of Congress who are certainly accustomed to an annual fight to preserve the TVA have not been under any delusion in the matter.

We expected the fight to be more demanding this year than in any year since the TVA was created. And the reason is simple.

For the first time since TVA was built into one of the greatest economic boons this country had ever known, the private

power lobby is riding the crest of the wave and, in a congenial atmosphere, is dispensing its propaganda under the most favorable conditions possible.

So what have we been given to consider this year? We have been handed a bill which reduces the appropriation for the TVA to its lowest level.

The bill, in effect, directs that we, the Congress of the United States, increase the power bill of the people of the TVA region of the country by a minimum of approximately \$30 million a year. This is what the enemies of TVA are proposing in recommending an interest rate charge on TVA power funds.

We are being asked also to surrender all thoughts of future economic expansion and progress—to stop all proposed expansion dead in its tracks.

We are being asked to sanction a virtual dimout of the great TVA region within 3 years.

But more important, Mr. Chairman, we are experiencing something new and something far more critical than a higher electric bill or a dimout of private power requirements.

The present cut in appropriations for TVA suggests that we equivocate with our atomic-energy program and our national security.

Not only has the administration and the Appropriations Committee drastically cut the operating budget of the TVA, but the recommendation is made that the corporate funds be reduced and TVA operations financed from any source other than appropriations.

In addition, the committee has recommended a cut of \$12 million for transmission facilities.

Essential improvements and future projects have been reduced \$227,000.

Funds have been denied for necessary equipment transportation facilities, and other general operations.

The committee has further recommended a decrease of \$25 million in the reserve fund of the TVA. In other words—deny one need, transfer another function, reduce the corporate and reserve funds—the net effect of which is to cripple and weaken the great strength and structure of the TVA by the general process of sniping at its various functions and financial structure—killing by strangulation.

All of these crippling actions demonstrates the extent to which the enemies of TVA and the private power interests will go in their desire and unrelenting efforts to kill the TVA.

I trust, Mr. Chairman, that the Congress will beat back these reactionary efforts.

The Andrews amendment under consideration would restore to the TVA budget the \$85 million requested to begin the construction of essential generating units needed.

If there are those who are prejudiced against TVA, I appeal to you not to permit your prejudice to extend to the national defense and security of our country.

All the evidence clearly demonstrates that approximately 50 percent of the power production of TVA is needed for national-defense purposes.

In no other region of the country is as great a proportion of the total power supply being devoted to the national defense.

In the 5-year period beginning with 1951 and ending with 1956, the defense requirements of Federal agencies supplied by the TVA will increase from about 400,000 kilowatts to 3,400,000 kilowatts.

The use of electricity by these agencies which increased from 2,800,000,000 kilowatt-hours in 1951 to 7 billion in 1953, will reach 28½ billion kilowatt-hours in 1956.

By 1956 about one-third of the total system demand and nearly one-half of all the energy generated by the system will be delivered to Federal agencies, primarily for atomic-energy plants.

The pending amendment would insure that the national-defense requirements of TVA for power will be met.

The request for funds for beginning construction of these essential steam-generating units has repeatedly been made and, as indicated, a case in justification has been fully made out.

I strongly urge adoption of the pending amendment.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. ABERNETHY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ABERNETHY. May I inquire if the Chair has allowed the gentleman from Tennessee to use the time that was allotted to me and which I yielded to him by unanimous consent?

The CHAIRMAN. Yes; and the other time that was transferred to the gentleman also.

Mr. EVINS. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Time for debate has been fixed, and the Chair cannot entertain such a request.

Mr. EVINS. I have been trying for 2 days to obtain time, Mr. Chairman. I wonder if the gentleman from California [Mr. PHILLIPS], the chairman of the subcommittee, would yield me 1 minute of his time.

Mr. PHILLIPS. I have but 4 minutes; I am sorry, I cannot.

The CHAIRMAN. The gentleman from California [Mr. HOSMER] is recognized.

Mr. HOSMER. Mr. Chairman, about 2 weeks ago I gave a talk on atomic-energy development for nuclear power. I pointed out that the day of nuclear-powered electrical generating plants is dawning. There has not been one moment's consideration given to that development today. If this amendment to provide a downpayment of \$85 million on some quarter billion of steam plants goes through, these plants may be outmoded by atomic developments before they are even built and the American taxpayer will be stuck with the bill.

The time is at hand when we are going to start taking from the atomic-energy program instead of putting into it.

Blindly voting money for steam electrical-generating plants by floor amendments without fully going into the mat-

ter of generating this power in nuclear plants would, in my opinion, be a new height of fiscal irresponsibility and a new low in the execution of our duty to spend the taxpayers' money wisely.

I reiterate my plea that not 1 cent of money be appropriated for this or any other electricity-generation project until full consideration is given to the amazing technological strides being made toward development of electrical energy from nuclear power.

We do not have enough money to be able to squander it on equipment that technical progress is outmoding.

The CHAIRMAN. The gentleman from New York [Mr. TABER] is recognized.

Mr. TABER. Mr. Chairman, this is not an attempt to destroy TVA, but to make it right and honest—to let it pay interest upon the money it borrows to build these powerplants.

Here we have a request for \$85 million to build new steam plants, and almost every single bit of it is outside of the Tennessee Valley area that they originally had. Every single municipality in that territory can go out and borrow money and build the plants themselves and get just as good service. Then they do what everybody else would do—they would pay interest on the money which they borrowed. Every single power outfit that this Government finances except the TVA pays interest upon the money it gets. Why should they have special privileges? Why should not everybody be treated alike?

The CHAIRMAN. The gentleman from California [Mr. PHILLIPS] is recognized to close debate.

Mr. PHILLIPS. Mr. Chairman, in concluding this debate, which is strictly on the amendment to add \$85 million to the funds appropriated for the TVA, and has nothing to do with anything else, I start by saying to the gentleman from Tennessee [Mr. EVINS] I do not see any reason why I cannot say the things he wanted me to say about the TVA having given a very fine service. The question before us is, Where are the limits to be put? If we adopt this proposal to add eight new steam units, then we have gone beyond the requests of the budget; we have gone beyond anything that has been justified before our committee; and, to quote my friend from Tennessee, who has been standing, and to whom I cannot yield at the present time, we have anticipated the thought that perhaps in 60 days there may be a demand. That may be true, but the time is not here yet. There are negotiations going on with private companies beyond the area originally set up for TVA, which is proposed to be served by these eight steam units, to see whether that power can be provided elsewhere.

This is only the downpayment. I think that has been overlooked today. The total cost of these steam units, which have not been requested and have not been justified before the committee, is \$227 million. This \$85 million is the downpayment on them. It has been pointed out that the TVA presently buys from private power companies 10 percent of its power, and can buy more, and that

the rates are under the control of the Federal Power Commission.

As was just pointed out by the gentleman from California [Mr. HOSMER], we are spending money for the start of a great power reactor which may make it unnecessary to have all of these units in the future. My suggestion briefly is that we vote down the amendment proposing to add \$85 million.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield.

Mr. ABERNETHY. I have been trying to find out whether this is the program promised by President Eisenhower in his speech at Memphis, Tenn., in July.

Mr. PHILLIPS. I have no time—in only 4 minutes—to engage in politics. I yield to the gentleman from Tennessee.

Mr. ABERNETHY. Is this the program of President Eisenhower?

Mr. PHILLIPS. The gentleman well knows the President is not trying to destroy TVA but, in the words of the gentleman from New York [Mr. TABER], trying to keep it honest.

Mr. PRIEST. The gentleman said there was no request. That was no request by the Budget?

Mr. PHILLIPS. That is right. No request by the Budget.

Mr. PRIEST. The gentleman will agree that the Budget in disapproving the request of the agency, based it upon the possible transfer of a load of approximately 600,000 kilowatt-hours to private utilities?

Mr. PHILLIPS. That, and whether TVA needs that amount, which was not fully justified; and, third, the possibilities for the future of other possibilities of power.

I ask for a "no" vote, Mr. Chairman.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Alabama [Mr. ANDREWS].

The question was taken; and on a division (demanded by Mr. ANDREWS) there were—ayes 87, noes 139.

Mr. ANDREWS. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PHILLIPS and Mr. ANDREWS.

The Committee again divided; and the tellers reported that there were—ayes 121, noes 154.

So the amendment was rejected.

Mr. BAKER. Mr. Chairman, I offer an amendment.

The Clerk read, as follows:

Amendment offered by Mr. BAKER: Amend by striking on line 25, page 42, the figure "\$103,582,000" and inserting in lieu thereof the figure "\$141,800,000."

Mr. BAKER. Mr. Chairman, I sat here for over 2 days continuously and did not say a word on this bill. My amendment simply does this, in plain and simple language. It restores to this bill the exact amount of money recommended by President Eisenhower and by the Bureau of the Budget. That is all there is to it. The bill provides \$103,582,000. My amendment would raise that by \$38,218,000.

I think this is important to the United States of America. I am not going to talk about Tennessee. We did not ask the United States to bring TVA to Tennessee. I should like some of my colleagues on this side of the aisle to know that. We did not come here begging for TVA. We are not beggars in Tennessee.

This corporation is a more than billion-dollar corporation. It is the biggest power company in the world. That is right. This Congress created it and put out of business every power company in Tennessee. We cannot have lights, we cannot have industrial power without TVA. If this amendment is not adopted, it is my honest-to-goodness opinion, speaking with some little knowledge of business, that TVA cannot operate efficiently.

I have the greatest respect for the distinguished members of this subcommittee. They say there is a carryover of \$46 million. That is correct. That is cash. This \$38 million cut would take all of that but \$8 million. We can figure that in our heads. That would leave TVA \$8 million on which to operate. Five million dollars of that is from nonpower sources, such as fertilizer, and some of the plants that run down there. That would leave a little less than \$3 million on which to operate this corporation.

I should like the gentleman from Pennsylvania [Mr. GAVIN] to hear this. He represents a great coal district, as do I. Next year, in the fiscal year 1955, beginning on July 1, 1954, the Tennessee Valley Authority will burn 15 million tons of coal. I have been in the coal business myself. Do you realize that just a 60-day stockpile would take over \$5 million?

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. BAKER. I yield briefly, for a question only.

Mr. GAVIN. They may burn 15 million tons of coal, but they are not burning very much Pennsylvania coal. Most of it comes from Kentucky and West Virginia.

Mr. BAKER. Incidentally, southern Illinois is shipping a lot of coal down there, as well as Kentucky and Tennessee.

A 5 percent increase in the price of coal would wipe out TVA's cash. A 5 percent increase in wages, if you please, would more than wipe out that cash. That cannot be answered. A 5 percent increase in wages would mean more than \$5 million; that is correct.

The Congress set up this corporation down there. As I said a while ago, we did not come here on bended knees from Tennessee. I was of age when they came there. I was 32 years old; and I wore shoes, incidentally, a little better pair of shoes than I have on now, when they came down there. We did not come here begging for it. The Congress of the United States put it there.

Mr. Chairman, it is our responsibility to see that this great corporation succeeds. TVA must go on uninterrupted. The Oak Ridge plants use more electricity than the whole State of Texas. If you do not put this money back in, that the Bureau of the Budget so painstakingly and carefully examined for months and recommended to this Congress, TVA

cannot operate at maximum efficiency, as President Eisenhower promised it would do, and the whole United States will suffer perilously and dangerously. They are getting half of their electricity there from TVA. You cannot run a billion-dollar corporation on \$3 million worth of capital. It just does not make sense.

Mr. SCHERER. Mr. Chairman, will the gentleman yield?

Mr. BAKER. I yield to the gentleman from Ohio.

Mr. SCHERER. Can they not raise the rates?

Mr. BAKER. I would say yes, but I am not discussing rates.

Mr. PHILLIPS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, one of the things I hope to be able to do is to relieve the concern in the mind of my distinguished friend from Tennessee [Mr. BAKER]. The Budget Bureau sent down a request for \$141 million. The committee has recommended that you vote \$103 million. The reduction is exactly \$38,218,000. Therefore, on behalf of the committee I will tell you how that reduction was made.

We said that certain of this money should be paid out of the corporate funds. We felt that \$12 million for power line extension should properly be charged against the corporate funds and not taken out of the taxpayers' pockets. We said that site improvements, which is a doubtful need at the moment, \$152 million, should be paid out of the corporate funds. We said that certainly \$125,000 for investigations toward future steam plants could wait until a decision on whether or not those steam plants were to be constructed. We made a total, therefore, to be charged against the corporate funds, if they were needed, of only \$12,488,000.

Now I have to account to you for \$25,729,500. Of that amount, \$729,500 was the only money denied the TVA, \$729,000. Of that amount \$600,000, or six-sevenths of it, has to do with resource development, which in every other State in the United States is carried on by the States, the chambers of commerce, the counties, or other agencies of government. An equal amount is in the Tennessee Valley budget, less than half, half that was to be paid for by the taxpayers—a year ago we said we were not going to do it again, and the people in the Tennessee Valley came and said that they would add it to the budgets of the States and counties. That leaves only \$25 million that I have to account to you for. That was not cut. The TVA like AEC and NACA and other agencies accumulates year after year funds of money that they do not use. They will have next year \$309 million in a construction fund to be used, and at the end of that year, the TVA admits they will have left over \$46 million—they admit that. Therefore, we will know that they will have that much more because any agency would estimate conservatively out of that \$46 million we took only \$25 million, telling them to use that money which they have already received from the taxpayers for the purposes that they want to spend it. This is not a reduction of \$38 million. Even the amount

that you discuss as a transfer of reduction is only \$13 million, and we say there is only a reduction of \$600,000, of which they received warning, and an agreement was made last year.

Mr. Chairman, I ask for a "no" vote on this amendment.

Mr. COOPER. Mr. Chairman, I offer an amendment to the pending amendment.

The Clerk read as follows:

Amendment offered by Mr. COOPER to the amendment offered by Mr. BAKER: On page 42, line 25, after "vehicles" strike out "\$141,800,000" and insert "\$171,800,000."

Mr. COOPER. Mr. Chairman, as will be recalled, I have spoken several times in the House of Representatives in support of the Tennessee Valley Authority, and spoke again at some length on February 2 of this year.

I appeared before the Appropriations Committee of the House again this session in support of adequate appropriations for TVA and especially the Fulton steam plant.

The budget submitted by President Eisenhower does not provide any funds for the Fulton plant, and does not include any money for any of the new units requested by TVA. The Appropriations Committee has not only failed to include any funds for any of these units, but has reduced the appropriation for TVA below the amount in the budget by about \$40 million.

Amendments are being offered in the House to restore this sum, and also to provide the funds for units requested by TVA.

I am offering an amendment in the House to provide funds for the Fulton steam plant.

NECESSITY FOR CONSTRUCTION OF THE FULTON STEAM PLANT

Eighteen months ago, analyzing the growth in power demand which it would have to meet in 1956, TVA requested the Bureau of the Budget to submit to Congress a request for funds to begin construction on a steam generating plant at Fulton, Tenn., in fiscal 1954. A site at Fulton was selected because it was the point at which the power could be added to the system with the greatest economy and the highest efficiency, taking into consideration the loads of the system, the costs of fuel, of transportation, and of transmission lines. The Fulton plant was included in the budget presented by the outgoing administration, but the revised budget submitted by the new administration eliminated funds for Fulton. Those of us who represent the area tried our best on the floor of the House to add \$30 million to begin the Fulton plant to the TVA's budget for fiscal 1954, but we failed. That was last year. We hoped and prayed that the President's budget for this year would permit construction to start as soon as the next fiscal year begins, and that TVA could make up the time lag by an accelerated schedule.

The need for power from the Fulton plant is even more compelling now. Load growth has continued; TVA's estimates of need are justified. I cannot help but recall that in November of 1952 we were promised that TVA would con-

tinue to operate at maximum efficiency if the Republican candidate for President were elected. He was chosen. But he has not yet realized that maximum efficiency demands that the Fulton plant be built, and soon. The nearest major generating plant on the TVA system is more than a hundred miles from the principal loads in west Tennessee and north Mississippi, and until the Fulton plant is built these loads can be served only through heavy added investments in transmission lines, a large part of which would be unnecessary if generating capacity were located nearer to the loads. In addition to the waste of money and materials for the transmission lines, the use of such long lines entails large losses of energy and capacity. In the nature of things, service over long transmission lines cannot be as dependable as service from generating stations near the loads.

As a substitute for the capacity to be provided by the Fulton plant the administration has suggested that TVA will be relieved of its obligation to provide 500,000 to 600,000 kilowatts to the AEC facilities at Paducah. We understand that negotiations are underway now in the hope that that load can be shifted to private companies and that TVA's capacity can be devoted to the normal load growth of the area. The taxpayer will pay in increased power costs for AEC if such an alternative is selected and even if it is, the Fulton plant will have to be built. There is no question about it. The power users of the Tennessee Valley will require the energy it will produce. Like every other project on the TVA system the Fulton plant will be a good investment for the Government. Like every other project it will return the money advanced for its construction. Delay is costly. Delay is dangerous. We need the Fulton plant now.

Mr. Chairman, I would like to strongly support the amendment offered by my colleague from Tennessee [Mr. BAKER]. There can be no question but that from a sound business point of view these funds for operating purposes are absolutely essential for the operation of this great Government agency.

(Mr. DAVIS of Tennessee (at the request of Mr. MURRAY) was given permission to extend his remarks at this point.)

Mr. DAVIS of Tennessee. Mr. Chairman, when the citizens in the Tennessee Valley area were invited to provide facilities for the distribution of power to be purchased from the newly created Tennessee Valley Authority, it was contemplated that all the power in each community would be supplied by TVA; and each community, therefore, so shaped the distribution system within its area on the assumption that wholesale power would be supplied by the Government in whatever amounts were necessary to meet the needs of the people. Therefore, systems were planned and designed and have developed on the assumption that power would be brought into these communities over transmission facilities owned and operated by Tennessee Valley Authority from TVA's power plants. TVA acquired a steam plant along with Muscle Shoals,

and it has been recognized all the while that steam power would be necessary to firm up hydro power in dry years and that if, and when, the river systems with their auxiliary plants were inadequate to supply the total needs of the area that the natural expansion would be brought about by the addition of such steam capacity as would be necessary.

The city of Memphis, therefore, like all other communities, has designed its physical plant and has established its program of business development on the assumption that TVA would generate the power and wholesale the power and that the distributor would retail it to the people—to their homes, and to their commercial and industrial undertakings. The Memphis system has been laid out with no intention of providing steam plants of its own.

The production cost of power from hydro plants owned or controlled by TVA is about 1.15 mills per kilowatt-hour. The production cost in the steam plants owned and operated by TVA is 3.45 mills per kilowatt-hour.

Under the TVA Act, a municipality purchasing power from TVA takes precedence over any load other than Government load. The city of Memphis, therefore, would be foolish to relinquish its pro rata share of hydropower to which it would be entitled under the TVA Act and substitute therefor, in whole or in part, power generated in its own steam plant.

The city of Memphis can build a steamplant which has the same characteristics and efficiencies that TVA's plant would have if the plant were the same size and operated at the same high level of output which can be obtained in TVA's plants by reason of the fact that they are part of an integrated system. The layman may not know the advantages of an integrated system. It is the reason for the large combination of big plants in a system connected together through a network of transmission lines. Each unit can be as large as the manufacturer can supply. Efficiencies increase with the size of the unit. They can be operated at near capacity, and so long as sufficient spare units are maintained on the system for system overall outages, all units in any plant can ordinarily be operated at close to full capacity.

If, however, the city of Memphis builds its own steamplant, it would have to reduce the size of each unit in the plant to maintain a spare unit in case of trouble. Units being smaller would be less efficient and there would be idle investment in a unit which was operated only as a spare unit. Or, if the plant were built by the city of Memphis and integrated with TVA, immediately the total amount of power produced in the plant would depend upon the operating arrangement with TVA and each member to the contract would seek to operate its facilities at the maximum efficiency.

TVA has attained a degree of efficiency in the production of power that is exceptionally good, and it has done so because of the large units employed and the ability to so handle the load as to get the maximum use of each plant. This

advantage would be lost if Memphis and other communities in part supplied their own power and in part purchased power from TVA.

Tremendous quantities of water are necessary in a big steam plant. A steam plant, therefore, should be located on a river or lake, if maximum efficiency is to be obtained. Capacity can be obtained by using a cooling tower or circulating the water, but it is done at a loss of efficiency. Any plant supplying west Tennessee with power must be either on the Tennessee River or the Mississippi River. Likewise, coal can be delivered in tremendous quantities cheaper by barge than it can by rail, and again this makes it requisite that a plant be located either on the Tennessee or Mississippi Rivers. It should be located far enough from a big city to avoid fly ash or sulfur fumes from fouling the atmosphere within the city. It has been stated that Memphis is on the fringe of TVA's system. So, too, are Chattanooga, Bowling Green, Huntsville, and quite a number of communities along the North Carolina border of east Tennessee.

Management of the Memphis utility would be needlessly sacrificing all the advantages of hydropower and all the advantages of a large integrated system.

Therefore, big steam plants using big units, diluted with hydropower, and tied together over a transmission network make for the maximum efficiency and reliability, which means that Memphis cannot afford to build its own plant.

Mr. JONAS of North Carolina. Mr. Chairman, I rise in opposition to the amendment.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. JONAS of North Carolina. I yield to the gentleman from California.

Mr. PHILLIPS. I wonder if we can agree on time on this amendment, Mr. Chairman.

I ask unanimous consent that, following the remarks of the gentleman from North Carolina, all debate on this amendment close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. REECE of Tennessee. Mr. Chairman, reserving the right to object, I would like to have 5 minutes on this amendment; and if it should by chance be rejected, then I shall offer another amendment.

Mr. PHILLIPS. Mr. Chairman, I withdraw the unanimous-consent request at this time.

Mr. JONAS of North Carolina. Mr. Chairman, I think the chairman of the subcommittee adequately disposed of the principal amendment by calling your attention to the fact that TVA carries over from year to year vast sums of money. In order to nail that down and so the RECORD will be perfectly clear, let me invite your attention to page 2496 of the hearings, where, in response to a request that a table be inserted showing the average monthly bank balances TVA carries, you will see that table. It will show you that TVA during every month last year had a bank balance ranging from \$126 million down to \$76 million at

the lowest point. The position of our subcommittee simply was that with such a healthy bank balance TVA could well afford to absorb \$25 million out of that surplus, particularly since the record of TVA itself shows that it will carry a surplus of \$46 million into fiscal year 1956.

More than that; right at the edge of the city limits of Memphis, Tenn., a private power company is operating, which last year furnished TVA three-quarters of a billion kilowatt-hours of electricity.

The record contains an offer from that company to supply TVA with all of the power it needs in that area now and hereafter at rates to be approved by the Federal Power Commission. If that be so, why should the American taxpayers be required to put up money to build a steam plant to supply power to the Memphis area, at a point on the Mississippi River which is not even within the area originally contemplated by the TVA act?

The original act under which we are operating authorizes TVA to build dams and power installations on the Tennessee River and its tributaries, and this proposed plant at Fulton is located 115 miles west of the Tennessee River at the closest point, and is on the Mississippi River.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. JONAS of North Carolina. I yield.

Mr. PRIEST. I wonder if the gentleman will put in the RECORD the name of the private utility that offered to supply the additional power, if the gentleman has it.

Mr. JONAS of North Carolina. I do not even know the name of the company. It is in the record; the names of all the witnesses are there. I am not acquainted with any of the officials of the company and do not know the name of it.

Mr. PRIEST. It is in the hearings.

Mr. JONAS of North Carolina. Yes.

Mr. BAKER. Mr. Chairman, will the gentleman yield?

Mr. JONAS of North Carolina. I yield.

Mr. BAKER. The gentleman is a member of the committee and will state I am sure that no funds for the Fulton steam plant or any new starts would be involved in the amendment I offered.

Mr. JONAS of North Carolina. That is correct.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. JONAS of North Carolina. I yield.

Mr. EVINS. Is the gentleman from North Carolina familiar with the recommendation of Eric Johnston, former president of the United States Chamber of Commerce who was sent to the Middle East by President Eisenhower to construct five dams on the Jordan River, a TVA for the Middle East?

Mr. JONAS of North Carolina. I will oppose any new TVA unless it is required to pay its way, including interest on money advanced by the Government.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. JONAS of North Carolina. I yield.

Mr. HALLECK. I wonder if it is the thought now to so expand TVA that we

will be building steam plants all over the United States? I think that is the ultimate aim of some of these gentlemen.

Mr. JONAS of North Carolina. I may say also that there is a utility operating right in the backyard of Memphis, Tenn., today with 3 or 4 connections with the TVA system which has offered to furnish all the power TVA needs in that area. There is another power company operating out of Georgia that offered to do the same in the Chattanooga area, and it has connections with TVA right now. Last year this company furnished TVA nearly a half billion kilowatt-hours of power. There is also another company operating up in the northeast section of Tennessee and that company is on record before our committee as offering to furnish TVA any power that it will contract for at a rate to be approved by the Federal Power Commission.

I would like to say to my friends from Tennessee that they should quit worrying about any shortage of power now or hereafter. There is plenty of power available and more can be supplied to the extent required by TVA.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

(Mr. JONAS of North Carolina and Mr. BAKER asked and were given permission to revise and extend their remarks.)

The CHAIRMAN. The gentleman from Tennessee [Mr. REECE] is recognized.

Mr. REECE of Tennessee. Mr. Chairman, as my colleague has said, the TVA is a business operation which was set up by Congress; and I want to assure my distinguished friend from Indiana who expressed fear lest the Congress be induced to expand TVA to cover the United States, that if he follows the suggestion of HOWARD BAKER and myself that will not happen. That has never been a part of our program.

The TVA was imposed upon the people of Tennessee as a business organization. Every segment of our economy, our entire being in Tennessee is dependent upon the successful operation of TVA. We want to be reasonable about this thing, and I think when the suggestion is made as is embodied in my colleague's amendment that the recommendations of the Bureau of the Budget be restored which gives the TVA sufficient operating capital with which to conduct a successful operation, that that is a sound proposition.

Some of the figures that the distinguished chairman of the subcommittee stated are provided in this bill to be taken out of the capital can be taken out of the capital, but the result will be that this great utility will be left with less than \$3 million operating capital. There is not a utility in the United States that has as small a ratio of operating capital as TVA would have, and I dare say there is not a representative of a private utility who would recommend the depletion of the capital of TVA down to where it would have less than \$3 million operating capital.

The gentleman's amendment is a reasonable one. It carries out the sugges-

tion of the President that the TVA be operated to its maximum efficiency for the benefit of the people it serves. That is the purpose of the amendment. His policy cannot be carried out, I feel, if the recommendation of the distinguished subcommittee is adopted in this instance.

The Bureau of the Budget is a hard-boiled operation, it deals in facts and figures, it cannot be accused of padding the report in order to expand TVA beyond its present periphery. This amendment provides for construction which is not recommended by the budget. Its report contains a figure which Mr. Dodge and his associates felt is necessary for the successful operation of the TVA. I appeal to the Members on my side of the aisle to think this thing over soundly, when we are spending billions of dollars to build dams and other public improvements in the various countries of the world. To deny \$38 million which the Bureau of the Budget says is necessary for the successful operation of this organization is not commonsense, and I do not believe the membership of the House will approve such a policy.

(Mr. REECE of Tennessee and Mr. COOPER asked and were given permission to revise and extend their remarks.)

Mr. PERKINS. Mr. Chairman, I rise in support of the pending amendment.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman from California.

Mr. PHILLIPS. Mr. Chairman, I ask unanimous consent that all debate on the Tennessee Valley section of this bill, and all amendments thereto, close in 45 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PERKINS. Mr. Chairman, I rise in support of the amendment to the amendment offered by the gentleman from Tennessee [Mr. COOPER], and also to support the amendment offered by the gentleman from Tennessee [Mr. BAKER]. I want to see this program go forward and not be choked to death.

Mr. Chairman, the Fulton steam plant will not mean anything to the coal area that I represent, but it will mean approximately 2 million tons of coal consumed annually which will be furnished by west Kentucky and southern Illinois.

I am vitally concerned about the general welfare of the coal industry. The plans of TVA are to use coal to generate additional electric power. The chairman of the board, Mr. Gordon Clapp, has furnished me with this information and also stated that the plans were to use coal at the Fulton plant. We all know that the private utilities have benefited considerably from fast tax amortization plans, and there has been no objection that I know about from any Member of the Congress. We are all glad to see the private utilities expand their power units. Their expansion in recent years has been a great help to the coal industry.

There are many reasons why the present facilities of TVA should be expanded

but I will not undertake to discuss them. In this atomic age we are all acquainted with the need for more power in this area. I only wish that the distinguished gentleman from New York [Mr. GWINN] would make a reappraisal of the benefits received from TVA up in his own district and find out just how many General Electric refrigerators and other electrical equipment have been sold throughout the whole Tennessee Valley area. I think we are all well acquainted with the distinguished gentleman from New York, because we are all familiar with his books, especially the book that he wrote concerning eastern Kentucky.

Mr. Chairman, I am concerned about the plant that has been started at Rogersville. In the event the amendment offered by the gentleman from Tennessee [Mr. BAKER] is not adopted, I feel that the coal sales which east Kentucky does benefit from to a limited degree will be stopped. I feel that the completion of that power unit will be halted, and if we are going to choke this program to death we might as well take a big, broad axe and go in and cut the heart out of it by a direct piece of legislation here on the floor.

Few, if any, of us want to do that. The TVA stands a monument to this Nation's greatness and is one of the first projects visited by foreign industrialists and engineers who come here to inspect America's progress. As yet, the district which I represent receives no direct power from TVA, but the plans are to establish a hookup with the REA plant near Winchester, Ky., where surplus power will be exchanged. This plan will be an actuality in the near future unless this administration is successful in its attempt to starve the REA and the co-ops to death before the powerline can be completed. The benefits of TVA have indirectly been felt in my area as well as every State in the Union. Why do I say that? It is because the TVA has provided a yardstick for the measurement of the cost of producing electricity. This successful project has forced private utilities to give the public better service and cheaper power by the simple method of demonstrating that such service and power can be produced and delivered on a sound businesslike basis. Here we have a proposal to limit the productive capacity of TVA so that the growing power demands of their customers will require them to go to private power producers and purchase enough electricity to supply their regular customers. The action here proposed will immediately destroy the yardstick values of the TVA and if continued through future years will eventually destroy one of the most important economic assets this country has developed in the last half century. The question we must answer today is, Shall we support this program or shall we sabotage it by slow strangulation. I agree that I have objected to some things inside the TVA. For example I objected to, a few years ago, and fought vigorously a proposal that TVA use natural gas on an interruptable basis because it was unsound.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

(Mr. PERKINS asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The gentleman from Tennessee [Mr. SUTTON] is recognized.

(Mr. SUTTON asked and was given permission to revise and extend his remarks.)

Mr. SUTTON. Mr. Chairman, of course, we in the Tennessee Valley are wholeheartedly in favor of this amendment. We know that it is needed. The subcommittee knows that it is needed. The President of the United States of America knew that it was needed. The Bureau of the Budget knew that it was needed. That is the reason why it was recommended to the Congress.

I regret that the subcommittee deleted this amount \$38 million. As has been repeatedly said here, for maximum efficiency, it is absolutely necessary that we adopt the amendment of the gentleman from Tennessee [Mr. BAKER]. I personally endorse the amendment of our colleague and dean of our delegation [Mr. COOPER], which asks for additional funds for the Fulton steam plant. But above all things, Mr. Chairman, if we do not get this additional \$38 million that the President requested and the Bureau of the Budget requested, the TVA will be strangled.

I hope that it will not be the policy of those on the other side of the aisle to strangle TVA. I am not going to make the charge that they are trying to kill TVA because I believe that they believe in the President of the United States, their President, their choice, and that they will back him up in his request and the request of the Bureau of the Budget to give us this additional \$38 million which is needed to carry forward to maximum efficiency the TVA.

The CHAIRMAN. The gentleman from Virginia [Mr. WAMPLER] is recognized.

(Mr. WAMPLER asked and was given permission to revise and extend his remarks.)

Mr. WAMPLER. Mr. Chairman, I have been listening to the debate on this bill for 2½ days. It was not my intention to speak on the bill, but I have heard so many charges and countercharges that I felt it was my duty to speak briefly.

I rise in support of the amendment offered by the gentleman from Tennessee [Mr. BAKER] to restore \$38,218,000 to the TVA. This is the amount that was recommended by the administration and by the Bureau of the Budget.

I happen to represent the Ninth Congressional District of Virginia, which is on the periphery of the TVA area. I am one of those who believes that there is room in this country for both public and private power. I am proud of the business the private utilities are doing in my district, and I am also proud of the part that the TVA is playing.

It seems to me that it is good, common horse sense to follow the recommendations of the President of the United States and the Bureau of the Budget. There are many functions of TVA other than power functions which have been

of great benefit to my district. Their reforestation program is certainly going to be of great value to us in future years. The resources development program has been of great value, and other phases of their program certainly are going to be of great value to us in the future.

Mr. Chairman, I believe this House should approve the amendment offered by the gentleman from Tennessee [Mr. BAKER], and then at some future time we can work out the TVA program so that it may be of advantage to all concerned, so that we may reach a meeting point where it will not be as controversial as it has been in the past.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. RAINS].

Mr. BATTLE. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield to my colleague.

Mr. BATTLE. Mr. Chairman, I have always supported the TVA. I am in favor of this amendment as I was of Mr. ANDREWS' amendment.

Mr. Chairman, for 7 years I have actively supported the TVA and our Congressmen who so ably represent the TVA areas.

I favor the Cooper amendment and the Baker amendment as I did the Andrews amendment and other efforts to assure adequate funds and effective methods for successful operation of TVA.

It is my hope that the House will back up the President and our Democratic leaders in their desire to prevent the adoption of crippling amendments and restore adequate funds for necessary operations.

TVA means a great deal to Alabama and to the Nation. There is no way to estimate the value of this great enterprise during World War II and we must be adequately prepared to prevent world war III through strength.

In the long run, Mr. Chairman, I am confident we will win this battle—not only to protect TVA, but to insure proper support for continued progress and development. Also I am confident that we will get the TVA headquarters located in Alabama where it belongs by law.

Mr. Chairman, these amendments should be passed and I hope the House will see fit to stand up for TVA today.

(Mr. BATTLE asked and was given permission to revise and extend his remarks.)

(Mr. ELLIOTT asked and was given permission to yield the time allotted to him to Mr. RAINS.)

(Mr. RABAUT asked and was given permission to yield the time allotted to him to Mr. RAINS.)

Mr. RAINS. Mr. Chairman, I listened intently as the gentleman from North Carolina spoke and I think I have discovered the reason for the opposition to this particular amendment which the Budget and apparently the President supports.

I have an idea that in the consideration of the proposal to cut the budget request the gentlemen of the subcommittee apparently were tying their kite to that section of the bill which was stricken out on a point of order. In

other words, I think it is clear that the subcommittee intended not that the TVA should actually operate with \$3 million of operating capital, and that is what the deal is when you break it down, but that you would force by that legislative rider which you lost in the shuffle, the upping of rates in the TVA. Whether or not that is a good thing we are not to discuss today, but I will say this: Why not come along and admit that you cannot operate a billion-dollar corporation, as this is, on a \$3 million operating capital? I cannot see how you could reasonably figure otherwise than that the TVA must have more money than the \$3 million. So since you lose the rate-increase amendment by virtue of the point of order, why tie further, even beyond what the Budget has asked, the hands of the TVA? I believe that must be logical. I certainly think it is reasonable.

In my own district I have a private utility and TVA, and I have the utmost regard for each of them. They are both doing a grand job. The argument that is being made here on the floor that TVA is stealing the industries, or rather luring them away from other sections, is totally erroneous, because in the areas I represent there is a private power utility and the TVA, we have as many industries that moved into the Alabama Power Co. area as we have that moved into the TVA area.

One other thing, if your amendment to allow cities to raise rates or to handle them were to have prevailed, you would have opened the door for every city in the TVA to move in with a different rate arrangement in an effort to lure industries. It would have worked the other way round.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield.

Mr. JONES of Alabama. Is it not a fact that we are recognizing the need of private utilities throughout the entire country by giving them tax amortization privileges in order that they may construct new generating facilities?

Mr. RAINS. Of course, there is no doubt about that and I do not think there should be any argument on the floor today about the worthwhileness of each of them. But, the thing I am trying to pinpoint is that here is a budget request made by the President, and here is an amendment offered by a friend of TVA who knows his problems urging that you give them enough working capital with which to operate. It is that plain and it is that simple. Whether we like TVA or not, we, the board of directors of TVA, should at least give them the operating capital to do an efficient job.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. MURRAY].

(Mr. MURRAY asked and was given permission to revise and extend his remarks.)

Mr. MURRAY. Mr. Chairman, I rise in support of both the amendment of the gentleman from Tennessee [Mr. BAKER] and the amendment to the amendment offered by the gentleman from Tennessee [Mr. COOPER]. The amendment offered by the gentleman

from Tennessee [Mr. COOPER] is very much needed. Unless the construction of the steam plant at Fulton, Tenn., near Memphis, is started immediately, the Tennessee Valley area will face a brown-out in 1957 because it takes 3 years to build a steam plant and there will be a serious shortage of electric power if this plant is not built. If my friends on the left decide that they will go along with our President and the Director of the Bureau of the Budget who denies any new funds for construction of this steam plant and vote down the amendment offered by the gentleman from Tennessee [Mr. COOPER], then I certainly hope they will support the amendment offered by the gentleman from Tennessee [Mr. BAKER], which restores the appropriation to the full amount recommended by the President in his budget message to Congress last January. The President, through his Director of the Budget Bureau, recommended to the Congress a total appropriation of new money to the TVA of approximately \$142 million. The Committee on Appropriations has reduced this sum down \$38 million. I feel sure my friends on the left will support the President and his Director of the Bureau of the Budget and restore this money. We are only asking you to let us operate TVA at maximum efficiency, just as our President promised the people of Tennessee 2 days before the election that he would operate TVA at maximum efficiency, and the statement of the President on the TVA at that time caused the State of Tennessee, which is normally a strong Democratic State, to cast its vote for President Eisenhower by about a 5,000 majority, in my opinion. I sincerely trust that my friends on the majority side will stand by our President and will support his recommendation to Congress that the TVA be given an appropriation of \$142 million by voting for the amendment of the gentleman from Tennessee [Mr. BAKER]. Will you not give TVA the full appropriation recommended to Congress by President Eisenhower?

(By unanimous consent, the time allotted to Mr. HESTAND was given to Mr. COTTON.)

(By unanimous consent, the time allotted to Mr. KRUEGER was given to Mr. PHILLIPS.)

(By unanimous consent, the time allotted to Mr. MACHROWICZ was given to Mr. ABERNETHY.)

Mr. RAYBURN. Mr. Chairman, with reference to this situation of Members standing so that time may be allotted to them to speak on amendments, when the time is limited, and then when they are recognized by the Chairman asking unanimous consent that their time be given to another Member, I want to state that I will not object to that procedure today but that hereafter I will object.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. ABERNETHY].

Mr. ABERNETHY. Mr. Chairman, like my very dear and beloved friend from Pennsylvania, and incidentally my next door office neighbor during my first term in the Congress—the 78th Congress—Mr. GAVIN, I have been using what time I have had from the Demo-

cratic microphone, and like him, I am moving over to use the Republican microphone because I think it is over here where the work needs to be done. Up until now, only 2 or 3 Republicans have voted with us in support of amendments for TVA. We hope more of you will see the error of your ways and join us from here on out.

Full well realizing that another of my dear and beloved friends, the gentleman from New York [Mr. GWINN] may, as a result of my position, again associate me with communism, as he did all of us earlier during the day, that is, those of us who support TVA, I am willing to take that chance, which I shall do without any fear whatsoever.

I rise in support of both of the pending amendments. I should like, however, to particularly direct my remarks to the amendment offered by the gentleman from Tennessee [Mr. BAKER]. I think every Member on the Republican side knows full well what the situation is downtown regarding TVA. I do not say that in criticism of anyone just now. I am just stating the facts: I know that the situation is not in keeping with what the commitments were in the campaign 2 years ago, but for the moment that is beside the point.

I think—I am sure—you know what the situation is downtown. To put it plainly, TVA is in bad shape. Now, with that the case, I think you also know that when this budget left the Chief Executive's office and was sent up to the Capitol it had been worked over with a fine-tooth comb. Every single dollar that could be scratched from under TVA was pulled out. We all know that. You on the Republican side certainly know that to be the case. TVA was left with a bare minimum to get along with, assuming that it will get along at all.

You gentlemen know that is what the Bureau of the Budget has done. You know they did not leave a dime in the budget they thought could be dug out. They stripped TVA almost to a state of bare nakedness before this budget was sent up here. It is crippled already. Now this committee wants to wreck it.

A few days ago we sat on this floor and listened to the distinguished majority leader appeal to those of us who live in the southern section of the United States to support the tax bill. He called our attention to the fact that the Chief Executive received a terrific vote in that section of the country because of his popularity and because of his program. So, he appealed to us to stand by the President, whom many of our people supported. He asked us to support the tax bill because the President wanted it.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. In just a moment.

Now, the President has sent down to the majority leader and to the Members on the Republican side a program for TVA. It is not much of a program, far from what he promised, but nevertheless it is what he has asked for, what he wants. Now, I wonder if the majority leader is going to do on this occasion what he asked the House to do on the tax bill, that is, support the President.

I yield now to the distinguished majority leader.

Mr. HALLECK. Would you approve of my doing what you did the other day?

Mr. ABERNETHY. I took my position the other day. I made it clear. I was consistent then and I am consistent now. I am asking the gentleman if he is going to stand today on his position of a few days ago.

Mr. HALLECK. I answered it with a question.

Mr. ABERNETHY. Well, I am asking you a question. You answer mine. Are you going to take the same position that you took a few days ago, or are you going to take away from TVA \$38 million of its operating capital, which your President says it should have, which I think you know and which I think everyone in this House knows that without which TVA will be seriously crippled during the fiscal year 1955 and which is another step toward choking it to death. Will not some of you Republicans stand up and vote with us just once on TVA?

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

The gentleman from West Virginia [Mr. BAILEY] is recognized.

(By unanimous consent Mr. BYRD yielded the time allotted to him to the gentleman from West Virginia [Mr. BAILEY].)

Mr. BAILEY. Mr. Chairman, I desire to speak in support of the original amendment offered by the distinguished gentleman from Tennessee [Mr. BAKER], and the amendment to the amendment offered by his colleague from Tennessee [Mr. COOPER].

Mr. Chairman, I think it is reasonable to assume that not a single ton of the coal that would be consumed in these steam plants will be mined in the State of West Virginia. That is due to the fact that the railroads transporting our coal run east and west, and there is no possibility of its being transported to Tennessee for that purpose. I am in favor of it because the coal industry is flat on its back, due to the importing of residual fuel oils.

We have lost 38 million tons of production of coal. I am for anything that will stabilize the coal industry by furnishing additional markets for the coal in Tennessee or in any other State in the Union.

Mr. Chairman, as I listened to the debate pro and con it became evident that the two objectives of this subcommittee were, first, we will force the TVA to use approximately \$25 million of their reserve for operating purposes in the hope that they can put the project in the red as an excuse for doing away with it.

Their other objective was to force up the rate so they would not be in competition with private industry.

If the gentlemen on the majority side over here want to weigh any problem I would suggest that they weigh the problem whether they are going to give lip service to their candidate for President in the last campaign, or whether they are going to render service to the people who furnished their campaign contributions.

Mr. PRIEST. Mr. Chairman, will the gentleman yield, not for a question but

in support of what the gentleman has been saying?

Mr. BAILEY. I yield.

Mr. PRIEST. I have made an investigation and find that 3 private power companies in the Tennessee Valley area usually require about 3 percent of the value of their plant for operating contingencies. On such a basis—3 percent of the value of its properties—TVA would require about \$27 million instead of the two or three million that will be left under the committee's proposal.

Mr. BAILEY. I thank the gentleman from Tennessee for the information; and let me add that I will vote for any appropriation that will bring any stabilization to the coal industry.

The CHAIRMAN. The gentleman from New York [Mr. TABER] is recognized.

(Mr. KEATING asked and was given permission to yield his time to Mr. TABER.)

Mr. TABER. Mr. Chairman, this resolves itself not into a question of whether anyone is for TVA or against TVA or trying to abuse TVA; it does not even resolve itself into a question of whether or not the action of the President in connection with this setup has been in its favor or against it. I would be willing to discuss that question with anybody.

But here is the picture that presents itself from a dollars and cents standpoint, and I have been sorry to see so much misinformation given out. On the first of July next if this \$103 million is appropriated the TVA will have in cash to operate \$309 million; and according to their own story and taking out what they themselves propose to spend, at the end of the fiscal year 1955, they would have left at least \$46 million and perhaps a great deal more; instead of there being \$3 million left there would be \$46 million. That is almost twice the \$27 million it was said they might need as a proper operating fund and for financing the business they have in mind.

Under those circumstances the committee can see why the Appropriations Committee did not feel that it was necessary to provide the budget estimate. Even with the cut they will have the \$46 million left at the end of the fiscal year, and I do not see why we should try to add to that.

The other amendment offered by the gentleman from Tennessee [Mr. COOPER] would simply provide for one of those great big steam plants way off from the regular seat of operations and not within the regular range.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. TABER. I cannot at this time. That is something we passed on when we voted on the first amendment that was offered. I do not see why we should consider that again.

Mr. Chairman, I hope that both the amendment and the amendment to the amendment will be rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. FRAZIER].

Mr. FRAZIER. Mr. Chairman, 2 days ago I tried to discuss the necessity for

additional power in Tennessee, basing it on the amount that was required by the Atomic Energy Commission. As you have already heard time and time again, 50 percent of the power generated by the TVA system will have to be used by the Atomic Energy Commission. If it were not for the installations for national defense in Tennessee we would not have to ask for additional power; but you all know that we have to do that now. We have to supply power to the Atomic Energy Commission, the Arnold engineering base and Alcoa, those great institutions that have done so much for our country during times of emergency. You put them there. They are constructed there and were built for national defense. You may say that TVA and the Tennessee Valley are the areas that benefit, but these other installations benefit everyone.

In the budget that is presented at this time the President has asked you to appropriate \$141 million for the purpose of carrying on efficiently that construction down there in Tennessee that has done so much. I want to urge you to vote for the amendment offered by the gentleman from Tennessee [Mr. COOPER], as well as the one offered by the distinguished gentleman from Tennessee [Mr. BAKER].

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. BAKER].

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. BAKER. I yield to the gentleman from Minnesota.

Mr. JUDD. Several times during this session of Congress the statement has been made that we on this side ought to go along with the President's program. Almost all of us have done so, even when conditions at times were such that as individuals we might have preferred to vote otherwise on particular items. We did go along because we thought we ought to support a total program of which these items were essential parts. I want to commend the gentleman from Tennessee for introducing his amendment to restore the amount to what the President asked for TVA. This is not a waste of money. The budget has already been pared to the bone, and it seems to me the only fair and right thing for us to do on this issue, as in any other similar issue, is to support the President's program unless there is some deep difference of conviction based on principle or conscience. That is not involved in this case. I hope the gentleman's amendment will prevail.

Mr. BAKER. I thank the gentleman very much.

In the brief period of time at my disposal, I would like to make one other observation. The distinguished chairman of the full committee said there would be \$300 million left of operating revenue. They will burn 15 million tons of coal. The average price down there now—it is low—is around \$3.60 a ton, the average freight rate about \$1.40, which is a total of \$5 a ton. There goes \$75 million of the operating revenue for coal alone, not counting any wages, not

counting new construction, not counting on any construction.

The last point I would like to make is Oak Ridge and Alcoa.

Fifty percent of the power will be going to Oak Ridge, the atomic bomb plant, and other defense industries.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. REECE].

Mr. REECE of Tennessee. Mr. Chairman, this is a situation in which I think really we ought to take a lying down rest and sight right through the beam in order to try to determine where we are going, and I think that is exactly what the Bureau of the Budget under the direction of the President has done in this case. I am one who feels that the President was in earnest when he said he was in favor of operating the TVA at maximum efficiency for the benefit of the people whom it is intended to serve. I have defended that position in the Tennessee Valley and elsewhere. In making that statement, he did not infer that he intended or was in favor of extending the periphery of the TVA into new and widely scattered areas, but he did, with great emphasis, say to the people that he was in favor of operating this utility at maximum efficiency for the benefit of the people whom it is intended to serve. You cannot operate the utility if its operating capital is reduced below a safe minimum, and no one, I think, will stand here and say that less than \$3 million is sufficient operating capital for an organization of this magnitude.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. Mr. Chairman, I am going to vote for the amendment offered by the gentleman from Tennessee [Mr. COOPER], and if that is defeated, I will vote for the amendment offered by the gentleman from Tennessee [Mr. BAKER]. It happens that he is my Congressman. I went down to his district one time. I have 150 or 200 cousins there, and they thought by coming down there that I could beat the gentleman from Tennessee [Mr. BAKER], and elect a Democrat. But, the district went as usual, and he has my very kindest regards and best wishes.

Mr. Chairman, there has grown up in this House a system that I tried to get somebody to object to when I was occupying the chair, but never did it. But, Mr. Chairman, it is not fair to the other Members of the House in time and all this, that, and the other, for Members to get up and claim time on an amendment for the sole purpose of yielding to someone else. Unless I change my mind hereafter, I am going to object to that kind of procedure.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. CLEVENGER].

Mr. CLEVENGER. Mr. Chairman, I ask unanimous consent to yield the time allotted me to the gentleman from New Hampshire [Mr. CORRON].

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. JONAS].

Mr. JONAS of North Carolina. Mr. Chairman, I have heard some sentiments expressed on this floor this afternoon that have surprised me. Certainly it was contrary to my understanding of the responsibility of a Member of Congress and of the Committee on Appropriations. I thought when we came to Congress and took our respective oaths of office and were assigned to a committee, we were supposed to do the very best we could, following the dictates of our own conscience. I have great respect for the Bureau of the Budget. I think the Director and his staff are doing an excellent job. But even the Bureau of the Budget needs to be checked, or else we would just accept what the Bureau of the Budget thinks, and appropriate the money recommended by it. There would be no reason for an Appropriations Committee.

At least that is not my concept. The Budget Bureau has its function, and we have ours. I am merely undertaking to discharge my own responsibility and, I may say, following my own conscience.

Now let me point out that on page A-12 of the report of the TVA for 1953 a very interesting item appears. We discovered this in our committee. We have been told here this afternoon and yesterday and the day before about a prospective power shortage in Tennessee and about how the people are only with difficulty getting enough power to supply their homes and their factories and their shops and so forth. With that sort of a situation in mind, do you not think it is rather strange that TVA should have to spend about half a million dollars a year promoting the sale of power in the Tennessee Valley area? Referring to the balance sheet for 1953, the record shows that they spent \$418,112 on promotion of the sale of power last year.

The CHAIRMAN. The time of the gentleman has expired.

(Mr. PHILLIPS asked and was given permission to yield the time allotted to him to Mr. JONAS of North Carolina.)

The CHAIRMAN. The gentleman from North Carolina [Mr. JONAS] is recognized for an additional 2 minutes.

Mr. JONAS of North Carolina. I must remind the members of the committee that this is not the only point in the TVA budget where economies can be practiced.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. JONAS of North Carolina. I yield.

Mr. EVINS. Does the gentleman know that the declared purpose of the TVA specifically is that power shall be made available to the people for the widest possible use; that the declared purpose shall be to bring power to the people in the rural sections?

Mr. JONAS of North Carolina. The gentleman told us in the debate this year and last year, that 92 percent of all the people in Tennessee already have power. Therefore I see no reason for TVA to spend a half million a year persuading people to buy more.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. JONAS of North Carolina. I yield to my distinguished and dear friend the gentleman from Illinois [Mr. YATES].

Mr. YATES. Does not my very dear friend recall that during the war there were carried on advertising campaigns by businesses that were engaged in war work exclusively, in behalf of the civilian products that were going to be manufactured subsequently?

Mr. JONAS of North Carolina. Surely, But if it is said that the people are having difficulty getting power in Tennessee, I do not see any reason why TVA should have to spend half a million dollars of the taxpayers' money to promote the sale of power there, when they could apply that money to these other purposes.

Mr. PRIEST. Will the gentleman yield?

Mr. JONAS of North Carolina. I am glad to yield to my friend from Tennessee.

Mr. PRIEST. Will the gentleman from North Carolina clarify the figure of the contingency fund that TVA will have during the next fiscal year under the committee's recommendation?

Mr. JONAS of North Carolina. Yes; and I thank the gentleman for asking me the question. I wanted to speak to that point, anyway. Several members of the committee this afternoon have made the statement that if this cut stands, the cut that our committee made, TVA will be reduced in operating capital to \$3 million. That is just not in accordance with the facts.

As the gentleman from New York [Mr. TABER] has pointed out already, TVA will start off the new fiscal year with \$309 million in the bank. Against that they will have several hundred million dollars of commitments. During the year TVA will take in from the sale of power alone over \$200 million. All we have done is to say that out of that income of more than \$200 million—in fact, it will be \$227 million—they can well absorb \$12,488,500 to repair transmission lines, do site improvement work, investigate future projects, and pay one-half of general facilities. Twenty-five million dollars is all we have undertaken to charge against the reserve. The rest of the cut is intended to come out of income.

The CHAIRMAN. The Chair recognizes the gentleman from New Hampshire [Mr. CORRON].

(Mr. COTTON asked and was given permission to revise and extend his remarks.)

Mr. COTTON. Mr. Chairman, I have not taken a single moment either yesterday, the day before, or today, on this question of TVA. One reason is that everybody knows that I am a "dam-yankee" and I suspect that perhaps I have talked enough about it in other years.

However, may I say to my very dear friends from the Tennessee Valley section, for whom I have high regard, that we are not unfriendly to TVA. Many of us in my section of this country are proud of TVA. I went down there my-

self with a subcommittee not along ago. No American can travel through that valley and see the workings of this great institution and not be proud of it. I want to say to them, however, that TVA needs friends. It needs the friendship of other sections of this country and, do you know, it is awfully hard for some of us to go back home and sell TVA to our people. Why? Let us be sensible. There are certain things they know. They know that they are borrowing money and paying interest on it to give it or lend it to TVA without interest. They know that the people of the Tennessee Valley are getting cheap electricity when our people are paying higher prices for it.

It is of no use for you to wrap the flag about you and say, "Oh, that is because we are furnishing power for the atomic bomb and for national defense." Raise your rates. Raise your rates to the Government agencies that are buying power for Government and defense purposes, and my people will pay their share willingly and gladly.

They know that power has been used lavishly in the Tennessee Valley, even to heat people's homes. It is no use to tell my folks, "This is all right because when it is all over you people are going to own an interest in this wonderful institution." You might just as well tell them they are going to own an interest in the White House, which they do, but they cannot live in it. They own an interest in TVA, but it does not light their houses, it does not run their plants.

It is no use to tell them that the Congress imposed TVA on the Tennessee Valley and then made it bloom like a garden. No, we cannot go home with that story. Now let me tell you another thing. It is not going to help TVA when we go home and tell our people that when this committee suggested to the House that the time had come for TVA to pay just the interest that the Government is paying on the money we lent TVA, our good friends rose to a man and said "No," and invoked the rules of the House, to stop it. These facts are self-evident and they will not win goodwill for TVA. I say to my friends from the Southland, you are taking a poor way to "win friends and influence people," and I repeat TVA needs friends.

I want to suggest to you that we do want to see TVA prosper but we want to see it prosper on its own. It is a great plant. It can borrow its money, it can expand as any other utility does. It can charge reasonable rates.

One gentleman said, "If the price of coal should go up 5 percent we will not have working capital." You can increase your rates 5 percent and have ample working capital.

I want to go home and tell my people that TVA has at last come to the place where it is going to stand on its own feet and not keep coming back for more and more new money for them to pay interest on.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. COTTON. I yield to the distinguished majority leader.

Mr. HALLECK. I commend the gentleman on the very fine statement that

he has made. I want to say to him and to my colleagues that the situation here today reminds me of that old saying out in Indiana, which involves us here who are from other sections of the country, that our friends from Tennessee should not ride a good horse to death.

Mr. COTTON. Exactly, and I thank the gentleman.

Mr. BAKER. Mr. Chairman, will the gentleman yield?

Mr. COTTON. I yield to my friend from Tennessee.

Mr. BAKER. Is it your judgment that the basic TVA Act would have to be amended if rates were to be substantially increased because the basic TVA Act, when written, contemplated no profits and low-cost power and so states? I ask that question very seriously.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. COTTON. I yield.

Mr. HALLECK. I do not think the basic act, when passed, contemplated the great development of steam plants to the point where 50 percent or more of the power is now being generated by steam plants.

Mr. COTTON. I would also say to my friend that the reasonable working capital which he has been asking for here so convincingly is a part of the business operation and could hardly be regarded as profits. TVA can get its working capital from its customers instead of demanding it from the taxpayers of the entire Nation.

Mr. Chairman, in closing this debate on behalf of the Committee on Appropriations, I appeal to the House to sustain your committee and vote "no" on the amendments offered by the gentleman from Tennessee [Mr. BAKER] and the gentleman from Tennessee [Mr. COOPER]. Our committee has tried to be fair to TVA but also to the rest of the United States. Someone has said the Tennessee River is unique in that it flows through 7 States and drains 48. That is hardly fair to TVA but it will be well for TVA as well as the whole country if it ceases to be a drain on other sections and stands on its own feet.

The CHAIRMAN. The time of the gentleman has expired. All time has expired. The question is on the amendment offered by the gentleman from Tennessee [Mr. COOPER] to the amendment offered by the gentleman from Tennessee [Mr. BAKER].

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. BAKER].

The question was taken; and on a division (demanded by Mr. BAKER) there were—ayes 118, noes 158.

Mr. BAKER. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. BAKER and Mr. PHILLIPS.

The Committee again divided; and the tellers reported that there were—ayes 132, noes 146.

So the amendment was rejected.

The Clerk read as follows:

THE TAX COURT OF THE UNITED STATES

Salaries and expenses: For necessary expenses, including contract stenographic reporting services and not to exceed \$45,000 for travel expenses, \$1,000,000: *Provided*, That travel expenses of the judges shall be paid upon the written certificate of the judge.

Mr. BOW. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I should like to comment further on the remarks made yesterday by the distinguished gentleman from Colorado, who is the chairman of the Small Business Committee, in defense of the Small Business Administration and its able Administrator, Wendell B. Barnes, in response to remarks by members concerning the disbursement of loans.

Anyone familiar with banking and business operations knows that no prudent businessman takes down money until he needs it. Until such time it is pointless to incur interest charges. To my way of thinking, this would indicate that the number of loans disbursed by the Small Business Administration is not necessarily of consequence in determining whether that agency is doing a good job, since the time between the issuance of the loan authorization and disbursement ordinarily is within the control of the borrower, or at least not within the control of the Small Business Administration. I think that the agency's record will bear out the truth of my remarks. As of March 28, SBA authorized 150 loans totaling in excess of \$8,900,000. Of these, 58 were direct loans totaling approximately \$3,167,000, and 92 were bank-participation loans totaling approximately \$5,762,000. I am happy to see that the greater number of loans by far have been made in participation with banks, for this is the best indication that banks are actively participating in and supporting SBA's lending program.

After the agency issues its formal loan authorization which prescribes the terms and conditions of the loan necessary to protect the Government's interest, and which are standard conditions which any prudent lender would require for term loans, the burden is then on the borrower and its counsel to meet the requirements contained in the loan authorization. This means that the loan can be closed when the borrower and its counsel are ready to close the loan. In the case of bank participation loans, bank attorneys close the loan, and in neither case is the time interval between the issuance of the final authorization and the closing or disbursement within the control of SBA. I also point out that this time interval is not always decisive, as I have noted, since in some cases, as in loans involving construction, no SBA disbursement is made prior to the completion of the project. In other cases the prudent borrower does not take down the loans and begin paying interest until actually needed. Thus in most cases the lapse of time between the issuance of the authorization and the first disbursement is a matter beyond the control of SBA.

SBA offers no competition with banks, since by statute each loan applicant is required to show that the loan is not available from the customary sources of

private credit. In this connection I should point out that since most of the loans have been deferred participation loans, the banks have advanced the funds for such loans and the Government funds committed are not likely to be withdrawn from the Treasury. Further, the agency is empowered by statute to sell loans and the policy has been adopted that "seasoned" loans will be sold either to participating banks, which have options to purchase at any time under their agreements with the agency, or to other banks or financial institutions.

As the distinguished chairman of the Small Business Committee pointed out yesterday, the agency did not commence their lending program until October 1953. There was a very good reason for this. By statute the RFC was empowered to continue its lending functions, including the power to make small business loans, until September 28. Until the RFC ceased its lending activities, there was no point in having a complete duplication in the small loan field by SBA. I am happy to report that the agency is taking vigorous action to speed up the processing of loan applications but without impairing the Government's interest. At present, I am told that there are 1,000 loan applications "in the pipeline," representing a total of approximately \$66 million.

You must also remember that the 525 employees of SBA are performing functions formerly performed by 2,300 persons—487 employees of the Small Defense Plants Administration and about 1,800 RFC employees who were engaged in business loan activities.

I wish to commend the distinguished chairman of the Small Business Committee for his insertion in yesterday's RECORD of the article on small business from the April issue of Nation's Business. I earnestly commend the careful reading of this article, which is an excellent study on the subject of small business today, to each of you. It proves that SBA programs are effectively geared to the principal problems facing small business, and I am confident that as the agency gains experience it will render even greater service to the small firms of our country.

Mr. BAILEY. Mr. Chairman, I move to strike out the last word.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield.

Mr. PHILLIPS. Mr. Chairman, I wish to move the previous question on this item we are discussing, the Tax Court item, and close debate on it after the gentleman from West Virginia has finished.

The CHAIRMAN. The Chair will recognize the gentleman at that time.

Mr. BAILEY. Mr. Chairman, at this time I ask unanimous consent to return to page 42.

Mr. HALLECK. Mr. Chairman, reserving the right to object, for the purpose of offering an amendment?

Mr. BAILEY. I have no intention of offering an amendment; I am not asking this privilege for the purpose of offering an amendment.

Mr. TABER. Mr. Chairman, I shall have to object, but if the gentleman wishes to speak out of order I will not object to his speaking out of order.

Mr. BAILEY. For the benefit of the gentleman from New York, Mr. Chairman, may I advise him that I am speaking to material in this bill on page 42 and not out of order.

Mr. TABER. That is all right.

The CHAIRMAN. That is the gentleman's privilege.

Mr. BAILEY. Mr. Chairman, I asked unanimous consent to return to this section of the pending bill not for the purpose of offering an amendment but in order that I might make some pointed observations.

We are concerned here with the United States Tariff Commission and the administration of our Reciprocal Trade Agreements Act.

My colleagues will recall that on Tuesday we received a special message from President Eisenhower on proposed changes in our trade policies. It would appear from the contents of the message that the gentleman who resides at 1600 Pennsylvania Avenue has swallowed the Randall Commission's report hook, line, and sinker.

I do not want to pose as a prophet, but it is my considered opinion that the Randall Commission's report is as dead as the proverbial door knob. The proposals submitted indicate a shockingly limited knowledge of a program that is laying waste vast sections of our own economy.

May I point to just one of numerous incidents where our trade policy, which the administration wants to further expand by added authority to lower import duties, has laid waste a once-prosperous industrial area by disrupting State and local economies and bringing more than 100,000 men, women, and children to the necessity of begging for "handouts" from Federal surplus foods.

Imports of residual fuel oil from Venezuela, of glass, pottery, and clothespins from Europe are rapidly destroying our basic industries, and in face of this great calamity they propose to further devastate sections of America in order to carry out the wishes of No. 10 Downing Street in London and our own State Department.

If this star-gazing idea of more trade and less aid is not halted now, it will not be long until anyone who has the temerity to suggest that we buy the products from our own farms and from our own factories will be branded as communistic.

Mr. Chairman, just to give you a little idea of how this program is being operated, let me call your attention to an incident that occurred in the glass industry.

In August 1953 the glass industry applied to the Tariff Commission under the "escape clause" to prove injury on certain categories of glassware that were being imported into this country. Now, get this history, please. In late September, after receiving this case in August, the Commission divided 3 to 3 and decided to certify the case to the President. They did not certify the case until late in November, some 6 weeks after making

their own decision. There was furnished through the State Department to every country in which we have diplomatic representatives the details of that decision so that they could flood the President's office with objections on the thought that he might approve the lowering of some of the tariff schedules. Less than 10 days ago, Mr. Chairman, I called the Tariff Commission, and they said the President had asked them for additional information on which to make his decision. He asked them for that last November. To date the Tariff Commission has not furnished the President of the United States the additional information he asked. That situation is inexcusable.

(Mr. BAILEY asked and was given permission to revise and extend his remarks.)

The Clerk read as follows:

VETERANS' ADMINISTRATION

General operating expenses: For necessary operating expenses of the Veterans' Administration, not otherwise provided for, including expenses incidental to securing employment for war veterans; purchase of 15 passenger motor vehicles for replacement only; not to exceed \$6,000 for newspapers and periodicals; not to exceed \$2,690,000 for expenses of travel of employees; and not to exceed \$43,700 for preparation, shipment, installation, and display of exhibits, photographic displays, moving pictures, and other visual educational information and descriptive material, including purchase or rental of equipment; \$163,922,300: *Provided*, That no part of this appropriation shall be used to pay in excess of 15 persons engaged in public relations work: *Provided further*, That no part of any appropriation shall be used to pay educational institutions for reports and certifications of attendance at such institutions an allowance at a rate in excess of \$1 per month for each eligible veteran enrolled in and attending such institution.

Mr. ROONEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I should like to read to the House the following interesting editorial from this morning's issue of the New York Times:

CONGRESS AND PUBLIC HOUSING

To those who have seen at firsthand the fine accomplishments wrought in our large cities by slum-clearance public housing it is discouraging to see the opposition, even to the point of animus voiced against such housing in Congress, and especially in the House. One would expect House Members, being close to the people, to be aware of the importance of clean, decent housing in strengthening our democracy, in creating more wholesome conditions in which to rear children, in improving the moral climate. One would expect the House membership to be more sympathetic toward people of low income struggling to live with some dignity.

The large cities, and especially New York, are a special problem in housing. High land costs and other handicaps make home ownership out of the question for thousands of families. The House won't be helping these families, in Manhattan, Brooklyn, and the Bronx, by encouraging private enterprise on a \$7,000 house. Nor can these families build little cottages for themselves after supper and on weekends, as so many do-it-yourself families do, all over the country, and more power to them.

We, in the large cities, are fighting a tough battle against slums, and in New York it seems at times to be a losing battle. Our New York problem is intensified by migration from the South and from Puerto Rico,

and we do our best to make a home for new arrivals, as this gateway city has always done. A good argument could be made for special Federal aid, simply because New York is a focal point of such migration.

There is a city problem, just as there is a farm problem. One big city problem is the overcrowded, unwholesome slum, and we cannot believe that the Republicans will be so foolish politically, so short-sighted democratically, so lacking in human feeling as to abandon, or virtually destroy, public housing as a policy, this year, next year, or in the foreseeable future. Private enterprise cannot build at a rental these people can pay. A housing program that ignored these low-income families, and discriminated against the critical needs of the large cities, would be a bitter disappointment.

(Mr. ROONEY asked and was given permission to revise and extend his remarks.)

Mr. DAVIS of Georgia. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am glad to note that in the appropriation bills coming to the floor of the House during the present Congress there is a trend toward reduction of Government spending.

This is a welcome trend after so many years of increased spending year by year.

Federal taxation is approaching the confiscatory stage. Because of this I have joined with other Members in organized efforts to cut down Federal spending and to reduce budget requests.

Last year those of us who worked for economy succeeded in cutting appropriations approximately \$13 billion, and in the year before \$8½ billion.

I felt that greater reductions could have been made, and tried to make them. But those of us working for Government spending reductions did not have enough votes to make deeper cuts.

It is obvious that we cannot have real tax relief until deeper cuts are made in Federal spending. I believe that at least \$3 billion could be cut from the President's requested appropriations this year. I hope that such reductions will be made. I intend to vote for them as the various appropriation bills come up for action.

I have many times pointed out that there is ample room for spending reductions in many departments of Government. As an illustration of how Government spending has been pyramiding throughout the years, in 1935 there were 5,906 employees in the Bureau of Indian Affairs, one of the Federal agencies. By 1950, just 15 years later, the number of employees in the Bureau of Indian Affairs had jumped to 13,565, more than double. At that time, there were in the entire United States and Alaska only 421,600 Indians, including Eskimos. Why Eskimos should be counted as Indians, I do not know, but they were. But, with Eskimos included, there was 1 Federal employee for every 31 Indians.

I have been disappointed that the present administration has not exerted stronger efforts to reduce unnecessary spending. I think our foreign spending program could be reduced much more than the President has recommended. I hope that it will be so reduced. The last 6 months' report of the Mutual Security Administration recites such things

as the spending of American tax money to rehabilitate India's railroad system. Twenty-five million dollars of a special fund of \$57½ million was allocated for purchase of steel for India. Another \$20 million to help finance the purchase of 100 new locomotives and 5,000 new freight cars in India.

Other millions were spent to buy fertilizer for India and to expand India's Sindri fertilizer plant, which is said to be the largest fertilizer plant in Asia.

Other millions have been spent for farming implements and agricultural machinery, and for drilling irrigation wells in India's farming areas. Our planners have set up a program of digging 2,000 deep irrigation wells in India, one on each 200 acres of farm land. Although we took this money out of the bill 2 years ago, the spenders have put it back again, and are trying to get Congress to appropriate tax money for this and similar expensive projects.

India is only one of many countries where this kind of unjustifiable spending is being carried on with American taxpayers' money, while Germany, our late enemy, has given tax relief to individuals up to 25 percent; Holland has given tax relief to her citizens; so has Canada, Great Britain, France, Israel, and Australia.

For my part I have for some years been trying to get the rest of the world off the backs of the American taxpayers, and I hope that this year the foreign spending program will be cut, not just a token cut, but real and substantial reductions, enough to bring relief to American taxpayers.

Sometimes the best way to stop extravagance is to cut off the money for the spenders, and I think that tax reductions in some of the tax bills will have a deterring effect on those who are planning the spending of taxpayers' money.

In my opinion, the disease calls for a drastic remedy. Since it is evident that the spenders in the Government are not going to voluntarily reduce that spending, Congress ought to cut off the money and apply pressure in that way to force cuts in spending.

I see no good reason why our Government should continue to scatter American taxpayers' money all over the face of the earth in amounts up to \$6½ billion per annum, which was the figure for last year, and continue to tell the people at home they can have no relief. All these countries which I have named as giving tax relief to their citizens are getting money from the United States, taken from the pockets of these American taxpayers, to whom tax relief continues to be denied.

Not only can spending be cut abroad, it can also be cut here at home. In considering the independent offices appropriation bill which is before the House today for action, some startling testimony has been presented to the House which was brought out in the hearings before the subcommittee.

Mr. R. F. Keller, an assistant to the Comptroller General, testified before that subcommittee on January 13 of this year that his investigation showed that

a group of buildings in Philadelphia, Pa., then under lease to the Air Force, at a cost of \$215,000 a year, had never been used by the Air Force. His statement said that the leasing decision had been made by Air Materiel Command of Dayton, Ohio, over the strong protests of the intended users that the facilities were not suitable and could not be used. He said the Air Force has since canceled the lease, but not before rental and maintenance costs totaling some \$251,000 were incurred.

A witness from the Office of the Comptroller General of the United States in his testimony before the Independent Offices Appropriation Subcommittee on that same day exposed the extravagance of a general who built a dog run and kennel with taxpayers' money. The testimony regarding that was as follows:

The request for the work shows it was considered "in the best interest of the Government for security purposes." The construction consisted of a kennel, which was used to house a number of expensive dogs owned by the general, and a 90 by 60 fence-enclosed dog run. A wooden floor was installed in the kennel so the dogs would not lie on the bare earth. The cost charged to appropriated funds was about \$1,200. The fence was later removed at a cost of \$157.82, when, only 5 months after his arrival, the commanding general was replaced as post commander.

While a small item of waste and extravagance, it is but typical of the myriad of such matters arising in our inspection.

The Comptroller General also on that day exposed in his testimony a transaction which is typical of the conduct of many people who spend Government money—that is, if they have any money left over on the last day of the fiscal year, they spend it for something, whether it is needed or not. They simply cannot bear to turn back any unspent money into the Federal Treasury. This transaction was a purchase of a million and a half dollars' worth of wire fencing on the last day of the fiscal year 1951 by the Air Force. This testimony was given by Mr. William L. Ellis, Chief of Investigations in the General Accounting Office, and is found on pages 360 to 364 of the testimony. The following is some of the testimony exposing this wasteful transaction:

There is no doubt at all that fencing was bought in the last few days of the fiscal year when money was discovered to be available.

After great effort justification was found for about 250,000 feet of fence, so the fence was ordered, but not 250,000 feet. What was ordered was 750,000 feet, or enough to stretch from here to Philadelphia.

These pictures I have here, I showed them to Mr. KRUEGER, show that the fence is not a little barbed-wire fence, but a big 9-foot security fence which eventually may be very necessary. In fact I said if the Air Force had to throw away the money, at least they bought something they could keep for use in later years.

Mr. PHILLIPS. You could keep it, if it is not allowed to lie around out in the weather.

Mr. ELLIS. Some of it is still in the weather. They are hoping to get projects by this month to work up places where it can sometime be used, according to this letter. It was bought 2½ years ago. * * * One shipment of fencing went to the Elmira Airbase in New York. It got there ready to be delivered. The only trouble was there wasn't

any such base. There never has been and there isn't today. * * *

Mr. ELLIS. Most of it is still there now, at 27 different bases around this country. Piles of it. I wish you gentlemen had time to look at these pictures. It is incredible. The piles are bigger than this room, a pile, as big as a house, of fencing at 27 different bases in this country. Roughly, maybe a third has been used.

What the Secretary now says is that by this month they will have firm plans for using it. They did use some of it on a swimming pool, nurseries to keep the babies from getting where they weren't supposed to be, 9-foot fencing.

This is just a part of much testimony showing that it is possible for economy to be practiced, for wasteful spending to be stopped, as a result of which substantial relief can be given to the American taxpayer.

It is not true that rigid economy is being practiced throughout our Government. On the contrary, instance after instance of wasteful spending, of complete disregard of the taxpayers' burdens, and of inexcusable extravagance, have been disclosed.

It is the duty of this Congress to appropriate only such funds as are needed to carry on the legitimate and necessary functions of government. The time to perform this duty is when the bills are before us for consideration, such as the bill we are now passing upon.

While we in Congress cannot fire any generals or colonels in the armed services, we can hold the appropriations down to sums that are actually needed for our military security, and it is our duty and obligation to do that.

Mr. DOLLINGER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to obtain some information from the chairman of the subcommittee. Early this year I inserted in the Appendix of the RECORD a series of articles written by a reporter of a New York newspaper in which it was charged that veterans who needed outpatient psychiatric care were having difficulty in obtaining it. It was pointed out that there were some veterans who were able to work at their profession or trade by going to the doctor in the evenings and getting psychiatric care. At that time it was indicated that the Director of the Budget had impounded \$3 million, part of which was subsequently returned, so that the patients were having trouble obtaining this outpatient care, and when they came to the veterans' office they were not told the truth that there were not sufficient funds but were told that their condition had so improved they did not need this psychiatric care. I see in the present bill before us that the outpatient care appropriation this year is \$76,744,000 as against ninety-two-million-odd dollars last year or a reduction of \$16 million.

Now, the question I would like to have the answer to is this: Does this reduction in the amount of the appropriation mean that there will be a curtailment or elimination of the outpatient psychiatric care for these veterans? If it does mean that, then it might be possible that the veteran would be unable to hold his job,

and I think that would be shortsighted economy.

Mr. PHILLIPS. Mr. Chairman, if the gentleman will yield, the gentleman is talking on a subject of very great interest to the subcommittee. The reduction in money against last year's figure, is not in the type of cases to which the gentleman refers. We have gone farther than that, and we have taken away the barrier, so that the money can be used for whichever category the patient needs. It is in the neuropsychiatric field that we have the greatest difficulty. We have not had the hospitals, we have not had the psychiatrists. I can only say that the Veterans' Administration is anxiously working toward doing something in that field to meet the situation.

Mr. DOLLINGER. What I wanted to find out specifically was, there are many veterans getting this care outside the Veterans' Administration. They went to private doctors who gave that care to them after business hours.

Mr. PHILLIPS. That is, outpatient care.

Mr. DOLLINGER. That is correct. Is there anything in this program or in this appropriation which will make it impossible for them to get psychiatric treatment by going to a doctor in the evening?

Mr. PHILLIPS. No.

Mr. DOLLINGER. Because the article I referred to indicated clearly that they could not get the care; that they were told not the truth that funds were not available and so the necessary treatment was unavailable.

Mr. PHILLIPS. There is nothing in the bill of that nature. We gave them the total amount requested.

Mr. DOLLINGER. And I can treat that as an assurance that they can get all the outside care that is necessary?

Mr. PHILLIPS. From the standpoint of this committee. If the case arises again, I hope the gentleman will bring it to our attention.

Mr. DOLLINGER. I thank the gentleman.

Mr. PHILLIPS. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read and that amendments to any section of the bill not yet read be in order at any place.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. SUTTON. Mr. Chairman, reserving the right to object, would points of order still be in order against the bill?

Mr. PHILLIPS. This does not have any effect on that.

The CHAIRMAN. Points of order will be disposed of before amendments are offered.

Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. Are there any points of order?

Mr. SUTTON. Mr. Chairman, I have a point of order against the language on page 47, line 11 through line 23.

The CHAIRMAN. Without objection, the Clerk will read the language referred to.

The Clerk read as follows:

Provided, That no part of this appropriation shall be available for out-patient dental services and treatment, or related dental appliances with respect to a service-connected dental disability which is not compensable in degree unless such condition or disability is shown to have been in existence at time of discharge and application for treatment is made within one year after discharge or by July 27, 1954, whichever is later: *Provided*, That this limitation shall not apply to adjunct out-patient dental services or appliances for any dental condition associated with and held to be aggravating disability from some other service incurred or service aggravated injury or disease.

The CHAIRMAN. The gentleman will state his point of order.

Mr. SUTTON. The point of order is that it is legislation on an appropriation bill. It changes existing law. It is definitely legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from California desire to be heard?

Mr. PHILLIPS. I ask the Chair to rule.

The CHAIRMAN (Mr. GRAHAM). The Chair is prepared to rule.

In the opinion of the Chair, this is legislation upon an appropriation bill and the point of order is sustained.

Mr. SUTTON. Mr. Chairman, I have another point of order with reference to the language on page 49, line 17, through line 18, on page 50. I make the point of order that that is legislation on an appropriation bill and changes existing law.

The CHAIRMAN. Without objection, the Clerk will read the language referred to.

The Clerk read as follows:

Provided further, That under any contract between a State, or any political subdivision of a State, and the Veterans' Administration providing for the furnishing of instruction in a course of institutional onfarm or other training under part VIII of Veterans Regulation No. 1 (a), as amended (Public Law 346, 78th Cong., as amended), liability authorized by this section by reason of payments of subsistence allowance which were illegal because of failure of the veteran or the course to comply with the applicable statutory, regulatory, or contractual requirements shall not be applied to the contracting State, or political subdivision, unless the Administrator of Veterans' Affairs, after investigation, finds that an employee or representative of such State, or political subdivision, conspired with the veteran by, or was guilty of fraud or gross negligence in, falsely reporting to the Veterans' Administration that the veteran was in a proper course of training, failing to report unauthorized or excessive absences from, or interruption or discontinuance of, his course of training, or not discovering the failure of the veteran to comply with the applicable statutory, regulatory, or contractual requirements and not promptly terminating the course of training of the veteran. The provisions of this proviso shall be effective as of July 13, 1950, but shall not require repayment of any funds heretofore properly recovered by agreement of the parties to any such contract, and shall not be applicable to any other liabilities or agreements pursuant to such contract.

The CHAIRMAN. Does the gentleman from California [Mr. PHILLIPS] desire to be heard on this point of order?

Mr. PHILLIPS. No, Mr. Chairman.

The CHAIRMAN (Mr. GRAHAM). This is legislation on an appropriation bill. The point of order is sustained.

Mr. WOLCOTT. Mr. Chairman, I make the point of order with respect to the language on page 59, from the proviso in line 9 down to and including line 17, as being legislation on an appropriation bill and that it changes existing law.

The CHAIRMAN. Without objection the Clerk will read the language referred to.

The Clerk read as follows:

Provided further, That the Federal National Mortgage Association is authorized and directed prior to the conclusion of any sale of a mortgage at a discount to a financial institution to offer the mortgage to the mortgagor at the same discount, and that an offer shall be considered properly made when addressed by registered letter to the mortgagor, who may tender the purchase price, less discount, to the Federal National Mortgage Association within 2 weeks from date of receipt of such offer.

The CHAIRMAN. Does the gentleman from California [Mr. PHILLIPS] desire to be heard on this point of order?

Mr. PHILLIPS. No, Mr. Chairman. We concede the point of order.

The CHAIRMAN (Mr. GRAHAM). In the opinion of the Chair, this is legislation upon an appropriation bill, and the point of order is sustained.

Mr. YATES. Mr. Chairman, I offer an amendment in substitution for that language.

The CHAIRMAN. Are there any further points of order?

Mr. YATES. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. YATES. Is my amendment to the language that was just stricken from the appropriation bill in order at this time?

The CHAIRMAN. The Chair is trying to dispose of all points of order before considering amendments. If there are no further points of order, the gentleman's amendment will be considered. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. YATES: On page 59, line 9, after "\$150,000" insert "*Provided*, That no part of any appropriation or fund in this act shall be used for administrative expenses in connection with any sale of mortgages owned by the Association at a price less than the par value thereof."

Mr. YATES. Mr. Chairman, the purpose of this amendment is to make certain that FNMA does not sell any of the mortgages in its portfolio at a figure less than par. Last year, when the appropriation bill was brought to the floor, it included a provision in the bill authorizing the Administrator of FNMA to sell mortgages at a discount, within his discretion. At the time I objected, and that language was stricken from the bill. I called it a banker's bonus bill, which is exactly what it was as subsequent events disclosed.

The Housing Act that followed our appropriation bill contained the language stricken from the appropriation bill. It authorized the Administrator of FNMA to sell mortgages at a discount, and pur-

suant to that order the Administrator of FNMA last July offered for sale one-half billion dollars' of VA and FHA mortgages at discounts varying from 4 points for 4 percent mortgages to 2½ points for 4½ percent mortgages.

As a result, good mortgages, mortgages worth par were sold at a loss to the taxpayers of this country of approximately \$15 million. That same possibility exists today. At the present time the Administrator of FNMA can sell any of its mortgages at any discount he thinks proper.

These mortgages are valuable assets of the people of the United States. They are as much resources of our people as our natural resources. The taxpayers of our country have spent their good money to buy the mortgages. Why should they now be sold at a loss? And only a privileged few were given the opportunity to board the gravy train, only qualified houses.

It will be argued that the sale at a discount was necessary in order to make room for new mortgages. Is it good, sound business to sell seasoned mortgages, mortgages that have stood the test of time, for new mortgages of unknown quality.

It will be argued further that the discount was necessary to make operative the 1-for-1 plan. The testimony before our committee, as shown by the hearings, would seem to brand the plan a failure. In the first place, there was no requirement that purchasers of the discounted mortgages be required to substitute a new mortgage of at least equal value. Secondly, as of the date of our hearings the amount of new mortgages FNMA had committed itself for was only \$32,804,000. This is certainly a paltry sum to justify the sale of assets worth \$500 million.

This was an agency that was making money for the taxpayers. Is it not less than discreet for it to sell mortgages at a discount, if that is so? And it was so.

I call the attention of the House to the fact that during the year 1953 the Federal National Mortgage Association made approximately \$33 million for the Treasury of the United States. During fiscal 1952 it made approximately \$29 million in profit for the taxpayers of the United States. Each of the years FNMA has operated, it made a profit.

The purpose of my amendment is to protect valuable assets of the Government, to make sure that FNMA does not sell any more mortgages at a price less than par.

Incidentally, under FNMA rules, the mortgages that were sold could be sold only to qualified institutions, to mortgage houses, to the big financial institutions of the country. A veteran who had signed one of those mortgages that was sold at a discount could not get that same discount from FNMA. The mortgage company could buy it for 4 points off the par value, but the veteran who was liable on the mortgage could not pay off his mortgage by offering the same sum of money. Is that fair treatment? The reason for the amendment in the appropriations bill was to make sure that a veteran who was liable on one of these

mortgages could get the same deal as a mortgage house. When the point of order struck the language, it struck equal rights for the veterans at the same time.

I think my amendment is entirely in order. In view of the ruling of the Chair striking the language from the bill, I submit that FNMA should not sell these mortgages at any kind of discount. The only time it has ever done it in the entire history of FNMA was last year, and it cost the Government \$15 million on the mortgages sold.

I urge the adoption of my amendment.

Mr. PHILLIPS. Mr. Chairman, I rise in opposition to the amendment, and ask unanimous consent that debate may be limited to the 10 minutes which will have been consumed when I finish speaking on this amendment only.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PHILLIPS. Mr. Chairman, let me show you the difficulty of attempting to legislate upon a technical matter out of a clear sky.

The gentleman from Michigan by a point of order struck out the provision the committee had put in which stated that if a veteran had a mortgage and if the mortgage was to be resold at a discount, the mortgagor, the man who owed the money, should be given a period of perhaps 10 days or 2 weeks in which he should have a chance to buy it back. I think to a large extent it was a gesture, but it was a gesture that a few people here and there might have taken advantage of.

That was struck out, and we have no criticism of the motion. The provision was subject to a point of order.

Now the gentleman from Illinois asks that we put in a regulation prohibiting the Federal National Mortgage Association from selling at less than the par value. FNMA has bought many of these mortgages at a discount. We are asked to tell FNMA how to handle its business. We are going to say, "You cannot discount it even though you bought it at a discount, and sell it at a profit."

FNMA has made a profit from the very beginning by reason of a flexibility in handling these mortgages and being able to say to a bank, "We will sell you this mortgage at a discount and, in the future, if you have mortgages you have to place, we will take those mortgages on a 2-to-1 basis."

My recommendation is that we do not go into something which is so technical and which certainly should not be decided in a few minutes on the floor. Therefore, with no disparagement of my good friend from Illinois, whose intentions are excellent, I suggest that we vote "no" on the amendment.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Michigan.

Mr. WOLCOTT. I was interested in the statement the gentleman from Illinois made that it cost the Treasury \$15 million. That is not true. FNMA has been self-sustaining and has operated at a profit. In the bill which we will have before us tomorrow there is a provision

that the users of FNMA will have to pay into the capital fund 3 percent, and there is controversy as to whether it is a discount or a fee. This probably would disrupt the Federal National Mortgage Association to the point where there would be no secondary market for those purposes.

Mr. PHILLIPS. The gentleman joins in requesting a "no" vote, I take it?

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Illinois.

Mr. YATES. Certainly the gentleman is not saying that what I did say was incorrect. FNMA did lose \$15 million on the sale of a half a billion dollars worth of mortgages, as shown in the testimony of Mr. Baughman, who appeared before us in connection with the hearings on the Federal National Mortgage Association. I do not see how the gentleman can controvert that fact in view of the sale of those mortgages at a discount at a price lower than FNMA paid for the mortgages.

Mr. WOLCOTT. The Treasury does not lose anything in these operations until it is called upon to restore the loss to the capital of FNMA and there have been no losses to date in the capital of FNMA.

Mr. YATES. The point I make is that the mortgages were sold at a loss of \$15 million. That was the statement by Mr. Baughman.

Mr. PHILLIPS. Does this colloquy suggest that we should not attempt to legislate on the subject at this time? I again suggest a "no" vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. YATES].

The question was taken; and on a division (demanded by Mr. YATES) there were—ayes 96, noes 167.

So the amendment was rejected.

Mr. HOSMER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I asked for this time in order to ask a question or two of the distinguished chairman of the subcommittee. The Veterans' Administration Hospital at Long Beach, Calif., is a 1,600-bed hospital of which only 400 beds are in a permanent fireproof building. One thousand two hundred beds are in structures of a flimsy temporary nature, standing on cement foundations made out of old wood and plasterboard. They are a terrific fire hazard. This hospital is the only paraplegic center west of Denver. It serves over 100 quadriplegics in beds in the hospital, and hundreds of paraplegics both in and outside of the hospital. I do not know whether the Veterans' Administration head, Mr. Higley, visited the hospital before or after the time that he prepared his testimony before the subcommittee, but he stated upon visiting the hospital that the situation was, indeed, bad and that money ought to be provided to remove these temporary structures and replace them with adequate buildings.

Except for the main building, the whole Long Beach Veterans' Administration Hospital is temporary construction. Also, it is only fair to note that

among these flimsy, barnlike structures those of the paraplegia service are in the better of the temporary buildings.

This situation was brought about by an unfortunate and ill-advised series of events ordered by Washington in 1950. The permanent structure at Long Beach was then devoted to use as a modern, 400-bed United States naval hospital. The barnlike temporary structures erected during World War II were largely abandoned and allowed to deteriorate. The hospital was in great service to the large numbers of active duty naval personnel stationed in the area, their dependents, and the more thousands of dependents of men assigned to fleet ships whose families lived in the vicinity and the many more thousands of retired naval personnel who located their homes in the area because of the existence of the hospital facility.

In a "meat-ax" economy move in the spring of 1950, the Navy was ordered to abandon the hospital. It was followed up on June 1, 1950, by an even more heartless order to transfer the Birmingham Veterans' Administration Hospital, located in Los Angeles to the abandoned Navy buildings. I characterize this as a heartless and cruel order because Birmingham was the West Coast center for treatment of paraplegics and quadriplegics. The Birmingham center was specially equipped to handle these men who sacrificed so much for their country. All necessary equipment for their therapy, even special swimming and treatment pools, so necessary to their well-being, were there at Birmingham.

The many hundreds of disabled veterans involved had purchased homes in the vicinity of the Birmingham center into which thousands of dollars had been invested to make them habitable to men confined to beds and wheelchairs for the remainder of their lives.

There was no equipment at the Long Beach Hospital in service to such men. There were no homes specially constructed for them—they had to go to that expense once more and, in most cases, their only incomes were the modest pensions they received from our Government for their total disability.

One of the supreme ironies of the transfer debacle of June 1, 1950, was that the Korean war broke out 25 days later. It was only a few months until the United States Navy needed another hospital so badly in the southern California area that they had to reopen Corona Naval.

In the ensuing 4 years there have been other ironies. The fact will never be forgotten that the Birmingham hospital was condemned as a "firetrap." But these wounded were promptly transferred from a good firetrap to a truly bad one.

At Birmingham they had level ground, concrete ramps, 32-bed 4-cubicked wards. The wards were less crowded. They were air-conditioned. They had an excellent recreation hall. They had a big outdoor pool. The PVA built an indoor pool, complete, with two small brine pools. The mess hall was close; they did not have to wheel a half a mile just to eat a meal. Birmingham was a wonderful firetrap by comparison.

At Long Beach they have steep inclines, wooden ramps, 42-bed 6-cubicked wards. The wards are crowded; there are no large side porches for storing equipment. There is no air-conditioning. The large wards are impossible to heat evenly, with the flimsy structure of the building. In the winter they freeze to death in the halls. In the summer they just plain roast, because there is no place to go to get away from the heat.

The wards, set on grotesque concrete pilings, are a truly dangerous fire hazard. The concrete pilings are like a grate in a fireplace, allowing plenty of air circulation to fan the flames.

Realizing the tremendous fire hazard, there are frequent fire drills in Long Beach. These are well-rehearsed affairs that usually occur precisely at 10 o'clock in the morning. There are more personnel available on the day shift. Many of the patients are off the ward. The word is passed and everything goes off strictly on schedule. The catch is: There is no fire. There is no smoke. There are two exits, cleared in advance for action. There is no panic and there is no confusion.

It is a common fallacy that people who die in fires primarily are burned to death. Few people die of burns in a building fire. They suffocate first; asphyxiated by smoke.

Imagine a good fire getting started on a 42-bed ward, having a majority of quadriplegics who cannot even get out of bed. Imagine plenty of smoke, plenty of confusion, and a minimum of personnel at 2 o'clock in the morning. A fire of any size would probably block one exit. Imagine getting 42 beds through 1 door and down a steep ramp to safety. It does not require much imagination. They would be lucky to get 10 patients out alive.

In 1946, the Veterans' Administration decided to establish the west coast paraplegia center at the Birmingham Army Hospital in Van Nuys. The logical thing would have been to make immediate plans to replace the temporary facility with permanent buildings, especially suitable for paraplegics.

Instead, the Democratic administration only confused the whole situation further by the 1950 transfer to Long Beach. They made a lot of rosy promises about new buildings, an indoor swimming pool, a bigger and better recreation hall, and all the trimmings. They were political promises. They were made because of the tremendous adverse publicity to the Democratic administration, and Harry S Truman in particular, because of the shortsightedness of the 1950 transfer.

To date, we Republicans have not done any better. I believe in economy, but you cannot economize on something that does not exist. Decent quarters for most of the hospitalized patients in the Long Beach VA hospital do not exist.

There is a fine medical staff there. There are an ever-increasing number of paraplegics requiring hospitalization in California. But the buildings in which they are hospitalized are a disgrace.

They are a disgrace to the Veterans' Administration. They are a disgrace to the Democratic administration that put

these men there. They will be a disgrace to the Republican administration if we leave them there.

So my question to the distinguished chairman of the subcommittee is directed to that portion of the bill providing for some \$3,400,000 for major replacements and alterations. I ask the chairman of the subcommittee if there is a possibility that the Long Beach situation can be cleaned up within the near future.

Mr. PHILLIPS. Yes. The gentleman from California [Mr. HOSMER], who so ably represents the district in which the hospital is located, could have gone a step farther and reminded the Congress that these were men removed from the Birmingham Hospital, which had been specially constructed for paraplegics, with homes especially constructed for their use, and moved into the Long Beach hospital, with the statement that we would make the necessary alterations there, which have not been made.

The problem is to take it step by step, and it is my opinion and certainly that of the members of the committee, that this step is past due. I have no doubt that in the list of major alterations, which will come down next year, this hospital will be included, and I hope perhaps some means may be arrived at for doing something about it before the year rolls by.

Mr. HOSMER. I thank the gentleman, and I yield back the balance of my time, Mr. Chairman.

Mr. BROYHILL. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. BROYHILL: On page 51, at the end of line 3, strike out "\$39,000,000" and insert "\$55,400,000."

Mr. BROYHILL. Mr. Chairman, I hope that when I pass on to the Great Beyond there will not appear upon my tombstone: "Here Lies BROYHILL the Beggar." However, I do not feel apologetic at all in taking the floor to ask this Congress for something that is reasonably fair and something that they have recognized many times before is a just, legal, and moral obligation on the part of Congress.

My amendment provides for an appropriation of \$16,400,000 for a 500-bed atomic-proof general medical and surgical veterans' hospital to be constructed in the District of Columbia.

It has been recognized for many years that the Washington area needed additional veterans' hospital facilities. In fact, a 750-bed veterans' hospital was authorized as far back as October 1945. As yet no funds have been appropriated.

There have been a total of 64 new veterans' hospitals authorized since World War II, and two just before the close of World War II. That is 66 veterans' hospitals authorized. In addition to that, there have been 43 additions to veterans' hospitals authorized. Of that total of 66 hospitals authorized and 43 additions to existing hospitals, the money has been appropriated for all of them with the exception of one, and that is the one in the District of Columbia.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from Maryland.

Mr. HYDE. I want to commend the gentleman on his amendment and join with him in a request that in view of the serious shortage in this area the funds requested are sorely needed.

Mr. SMALL. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from Maryland.

Mr. SMALL. I rise in support of the amendment offered by the gentleman from Virginia, and I ask unanimous consent to extend my remarks following the remarks of the gentleman from Virginia.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. BROYHILL. Mr. Chairman, I would like to point out that I feel Congress and the Appropriations Committee and the gentleman from California [Mr. PHILLIPS] have been very fair to the veterans of this country. As the gentleman pointed out the other day, I believe we have 127,000 beds for veterans in the country, as a whole. However, I believe this would give some ammunition to the advocates of home rule in the District of Columbia, when we find that the only hospital which has not been appropriated for is in the District of Columbia, which has no representation in Congress.

The national average of veterans to hospitals is 149. The figures in Washington, D. C., are 409 to 1. That is a higher number of veterans per bed than in any other State in the Union, other than Oklahoma, Utah, Nebraska, Connecticut, Rhode Island, and New Hampshire.

If we approve the construction of this 500-bed hospital, the ratio, the number of veterans to beds, would be 168 in Washington, which would still be above the national average of 149 to 1. We also have got to take into consideration that in this metropolitan Washington area there are around 2 million people and there is only 1 general medical and surgical veterans' hospital in the whole metropolitan area, Mount Alto, which is obsolete, out of date, and has only 335 beds. Several sites have been worked on around the area. The land is available out at Soldiers' Home, 44 acres, for the construction of this hospital. It has been requested time and time again by the Bureau of the Budget and the Veterans' Administration, but each time it has been postponed by the Congress.

There are 820 veterans needing hospitalization in the Washington metropolitan area who are waiting for admittance. Therefore, an additional hospital of 500 beds is urgently and seriously needed. I urge this body to support the amendment.

Mr. SMALL. Mr. Chairman, there is a compelling need for additional veterans' hospital facilities in the District of Columbia. Consider the fact that all we have is Mt. Alto Hospital with a total of 335 beds. The inadequacy of hospital facilities for veterans in the District of Columbia is emphasized by the fact that the Veterans' Administra-

tion is obliged to go outside to provide hospitalization under contract arrangements with private facilities. The ratio of veterans to beds in our National Capital City is 409 to 1, which compares very unfavorably with the national ratio of 149 to 1. It is noted that many of the States are much better equipped with hospitals to take care of veterans than is Washington, D. C.

The urgent need for additional hospital beds here was recognized by the Veterans' Administration in 1951, at which time it was pointed out that the veteran population in Washington warranted the construction of a 750-bed hospital. No one will deny that our veteran population has increased considerably during the past 3 years, which growth certainly would not lessen the need here. Plans were developed by the Veterans' Administration in 1949 for the construction of the veterans' hospital on acreage available on the Soldiers' Home grounds. It is pointed out that the Army declared surplus 130 acres on April 4, 1950, and 44 acres of this tract were made available then for a veterans' hospital facility. The availability of this site would obviate the necessity of acquiring real estate. The Veterans' Administration urged favorable action to meet the rising requirements for hospitalization, realizing that they were faced with an enormous problem of caring for the ever-increasing number of veterans needing medical service. Normal requirements now far exceed the ability of the Veterans' Administration to serve this area.

I therefore urge the House to approve plans for the construction of a veterans' hospital on Soldiers' Home grounds.

Mr. PHILLIPS. Mr. Chairman, I rise in technical opposition to the amendment. I wish to explain the situation. I think it is a very serious situation in the District. I wish to explain it to the gentleman from Virginia [Mr. BROYHILL], the gentleman from Maryland [Mr. HYDE], and the gentleman from Maryland [Mr. SMALL], all of whom have called the attention of the subcommittee to this situation indicating a meritorious interest in the problem and understand what it really is. There is a need, Mr. Chairman, for this hospital. One of the problems is that of providing psychiatrists and a proper staff for such hospital. It has been necessary on the part of the Veterans' Administration and the Bureau of the Budget to build hospitals as money was available and as need for staff members could be supplied.

It is obvious, Mr. Chairman, that it was desirable to rebuild the Topeka hospital where psychiatrists are trained, to rebuild the Cleveland hospital which is now in the course of being constructed. It was necessary to supply a hospital in southern California, there being none in that State, because of the great influx of veterans. Consequently I would hope that the gentleman from Virginia would not insist upon his amendment, but would withdraw it, because we have this very practical problem of building the hospitals as rapidly as they can be built, and where the need is the most urgent. Certainly the hospital to which he refers in his amendment is the only one remaining from the approved list and certainly

is deservedly in line. I would hope that the matter might be left to work itself out as it is being worked out, which means we are building these facilities just as fast as money is available.

We are aware of the situation. I tell the gentleman with assurance that the subcommittee and, therefore, the full committee, is fully aware of the need, extremely sympathetic and in favor of the case he presents, and we are coming to it as quickly as it is humanly possible to get to it at the present time.

I am sure if the gentlemen from Virginia and Maryland will keep the subcommittee advised of the problem as it affects their respective districts, the committee and the Congress will be able to help them.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have long felt that it was a national scandal that we have not in Washington any Veterans' Administration hospital except Mount Alto where men are dying in little rooms with other men seriously ill, rooms that are large enough only for 1 patient, yet they have 3 or 4. They have an excellent staff at Mount Alto. I am absolutely positive they could find psychiatrists and other doctors from other hospitals in Washington to take care of these men in a larger hospital.

I do not like to say it, but I feel very sure that if the District of Columbia had representation in the Congress that hospital would have been built a long time ago.

I was very sorry, Mr. Chairman, that authority was taken away from the Committee on Veterans' Affairs to select sites for veterans' hospitals. I think the Members would have been much better satisfied had the committee been able to select the sites; they would have been more fairly designated than they are at the present time.

I earnestly hope that the gentleman's amendment will be agreed to. It will take a long time to build the hospital and anyhow by that time I am perfectly sure we will have enough trained psychiatrists and other staff in the Veterans' Administration to man the hospital adequately without borrowing from other hospitals.

Mr. KEATING. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. KEATING. I am very sympathetic with what the gentlewoman is asking. I notice on page 44 of the report that under this item of hospitals and domiciliary facilities there seems to be \$21 million more appropriated under this bill than last year; or am I in error on that?

Mr. PHILLIPS. It is a consolidated figure. Three figures were put into one figure.

Mrs. ROGERS of Massachusetts. That does not take care of the hospital here in the District of Columbia.

Mr. PHILLIPS. The gentlewoman from Massachusetts is referring to construction funds, which amount to about \$39 million.

Mrs. ROGERS of Massachusetts. It is a very small amount and I am ashamed when people come to Washington and ask about the Veterans' Administration hospital here in Washington. It is a disgrace to all of us. The medical is excellent but overcrowding and undesirable conditions are intolerable. I am chairman of the Committee on Veterans' Affairs and I feel angry and humiliated that I have been unable to do anything more toward having this hospital built.

Mr. Chairman, I would like to ask the chairman of the committee, the gentleman from California [Mr. PHILLIPS], if it is true you have earmarked \$800,000 specifically for prosthetic-appliance research?

Mr. PHILLIPS. The committee was very glad to do that. The gentlewoman from Massachusetts has always been tremendously interested in this subject. The work is showing results in research for prosthetic appliances which does great credit to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. The gentleman from California has always been very interested in this matter. Do you plan a swimming pool for the paraplegics at Long Beach? I am interested in that proposition also.

Mr. PHILLIPS. I am embarrassed to say I do not know whether we are setting up a swimming pool at Long Beach, and that is in my own State. I will ask the gentleman from California [Mr. HOSMER] are we building a swimming pool for paraplegics in Long Beach?

Mr. HOSMER. No; there is no provision at this time for that. We hope that will be included in the early overall renovation of the hospital there.

Mr. PHILLIPS. That is much more to the point. We do not need a swimming pool at Long Beach as much as we need wards that are fireproof, adequate, and a place for the paraplegics to exercise, and other permanent improvements.

Mrs. ROGERS of Massachusetts. We need all those things as much as a pool. I made a report on that hospital a long time ago, but the Veterans' Administration did not act.

Mr. Chairman, during the debate last year on the independent offices appropriation, which ultimately became Public Law 149, 1st session, 82d Congress, the Appropriations Committee reduced the item for compensation and pension by some \$300 million. In this session we have had to pass a bill restoring \$215 million of that amount, and I note in the current independent offices appropriation, H. R. 8583, another item of \$100 million has been cut from the appropriation for compensation and pensions.

This item, as all Members know, is an obligation of the United States and is based upon statutory requirement. It seems to me to be rather poor procedure for the Appropriations Committee each year to cut this item, knowing full well that in most instances the Veterans' Administration will have to come back and ask for a supplemental appropriation. If the full amount is appropriated and is not used it reverts to the Treasury. It

seems to me much more orderly, much better procedure, to vote the full amount requested by the Veterans' Administration and approved by the Bureau of the Budget than to go through the costly procedure of having additional estimates, introduction, sponsorship of a new item, and a new appropriation bill when all this could be avoided.

In addition, this cut always produces worry, concern, and anxiety on the part of many veterans and their dependents throughout the country. Every time the Appropriations Committee cuts this item by such a figure as the one in this bill the Committee on Veterans' Affairs and the Congress generally are flooded with letters questioning whether or not their compensation or their pension is to be reduced. Of course, we know that it cannot be reduced unless substantive legislation is enacted, and I am sure that no Member wants to sponsor or vote for such a bill as that. I am not trying to tell the Appropriations Committee or its distinguished chairman how he or the members of that committee should conduct their affairs. Since this happened on 2 different occasions for the past 2 years, I thought I should call it to the attention of the House. There is no economy involved. To me, it is a very poor policy.

Mr. ELLSWORTH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time for the purpose of asking the chairman of the subcommittee a question or two, but first, let me say that in the State of Oregon by congressional action was established some years ago a domiciliary home for veterans. It is a fact with reference to domiciliary homes that about one-third of the beds in such facilities are general medical beds. In this particular facility none of the beds provided are for that purpose, with the result that we have in the domiciliary hospital at Medford, Oreg., some 800 patients but no provision for general medical or surgical care.

The building occupied by this facility is a large hospital building of a semi-permanent type constructed by the Army and rated as a very fine building. But only one-third of it is occupied.

The point I am leading up to is this: The Veterans' Administration could establish in the Medford, Oreg., facility of two or three hundred general medical beds or convalescent beds badly needed in that part of Oregon and northern California where no new construction has taken place since World War II. Those beds could be established without the expenditure of a single penny for construction and they could be maintained and operated without any additional administrative cost. In other words, two or three hundred additional general medical beds could be provided for the veterans in the west coast area with only the cost of care involved so far as money is concerned.

The question I would like to ask the chairman of the subcommittee, the gentleman from California [Mr. PHILLIPS], is this:

I note in the bill, on page 47, that a total of 127,000 beds is anticipated as being provided for in this bill. Could

the additional domiciliary beds I have mentioned, the medical and surgical beds, be installed at Camp White, since there is no construction involved and no additional administrative cost? Could those beds be provided under this appropriation?

Mr. PHILLIPS. Mr. Chairman, if the gentleman will yield; the gentleman raises a point which I think will interest not only the gentleman from Oregon but all Members of the Congress. He gives me the chance to point out that this year we made still a further step forward in the accounting; that is, the handling of the veterans' funds. Last year we set up a line item in the budget for hospitalization and another for domiciliary and another for contract beds. This year we have included those three in one line item which makes it possible for the Veterans' Administration to do exactly the sort of thing which the gentleman from Oregon is talking about, to shift the flexibility back and forth between GM and S, NP, domiciliary, or even contract beds. The situation the gentleman is talking about is directly in line with what the Veterans' Administration wants to do and certainly what the Congress wants to do, which is to provide for the veterans in the institutions most favorable to them and perhaps to change them back and forth between a medical hospital and a domiciliary or to provide additional beds, as he is suggesting, in the domiciliary field, which can be used for that purpose.

Mr. ELLSWORTH. Let me ask one further question. In view of the fact that the Veterans' Administration several years ago recognized the need of this program and set up as part of their construction program some \$2 million for the building of a hospital in the same general area, a 200-bed hospital, would it not seem to the gentleman from California, chairman of the subcommittee, that if the same number of beds could be provided or even more beds could be provided without the expenditure of a single cent for construction, that the Veterans' Administration would be justified in taking advantage of such a situation?

Mr. PHILLIPS. Very definitely, and we hope they will.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. BROYHILL].

The amendment was rejected.

Mr. PHILLIPS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PHILLIPS: On page 47, line 11, after "\$76,744,000", insert "Provided, That no part of this appropriation shall be available for outpatient dental services and treatment, or related dental appliances with respect to a service-connected dental disability which is not compensable in degree where such condition or disability is not shown to have been in existence at time of discharge and application for treatment is made within 1 year after discharge or by July 27, 1954, whichever is later.

Mr. SUTTON. Mr. Chairman, I make the point of order against the amendment that it is legislation on an appro-

priation bill; furthermore, that it changes existing law.

The CHAIRMAN. Does the gentleman from California desire to be heard?

Mr. PHILLIPS. This is strictly a limitation under the rules. It saves money.

Mr. SUTTON. Mr. Chairman, that is a matter of opinion. Furthermore, might I say that even if it were not a limitation on an appropriation, it imposes additional duties.

The CHAIRMAN. The Chair is of the opinion that it is a limitation. The Chair overrules the point of order.

Mr. PHILLIPS. Let me state briefly, Mr. Chairman, the reason for doing this.

This refers, as you will see in the bill, to the section stricken out by the gentleman from Tennessee. The reason I am putting it back in the form of a limitation only is because there is involved a minimum of \$20 million and because this is, again, a matter which should not be stricken out completely without some chance of discussion. Putting this much back in the bill sends it over to the Senate with a possibility given to the Senate committee to discuss it and then to do what is necessary in the particular phase of the Veterans' Administration obligation toward the dental patients.

We have an enormous number of dental patients, many of whom are deserving, some of whom are entitled to this and as to some of whom there is a question. The action of the gentleman by raising the point of order opens the door wide, which the Congress decided last year, by a very large vote, it did not want to do. This has been discussed and protested by the veterans' organizations and it is something which the Veterans' Administration itself would like to correct.

My desire in putting the wording back is not to close the door. My desire in putting the wording back is only to make it possible for something to be in the bill on the subject when it goes to the Senate.

[Mr. SUTTON addressed the Committee. His remarks will appear hereafter in the Appendix.]

[Mr. McCORMACK addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. FRELINGHUYSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as a member of the Committee on Veterans' Affairs I should like to state to the members of this committee that I introduced on the 2d of February of this year H. R. 7653, which in effect would carry out, as permanent law, the intent of the language of the Committee on Appropriations which we are now discussing.

You will recall that we had a restriction of this same kind approved in the appropriation bill which was up in July of last year. At that time, as members of the Committee on Veterans' Affairs, we did succeed in impressing on the Members of the House the necessity for putting a time limit in the bill, so that the restrictions on outpatient dental care were specifically authorized only through June 30, 1954. It was hoped that by that

time our Committee on Veterans' Affairs could examine the problem closely, and consider permanent legislation. This has not been done, however. It is my feeling that the Committee on Veterans' Affairs unquestionably should be discussing this problem. At the moment it has not done so. It is my understanding that hearings on this question will be held by the Hospitals Subcommittee of the Veterans' Affairs Committee sometime after Easter recess.

I do think it should be called to the attention of the Committee, furthermore, that the Administrator of the Veterans' Administration, Harvey Higley, in a letter dated March 9, to the gentlewoman from Massachusetts [Mrs. ROGERS], chairman of the Committee on Veterans' Affairs, described the effect we considered the bill H. R. 7653 would have. He pointed out that President Eisenhower in his budget message on January 21, specifically recommended that these restrictions on outpatient dental care of a noncompensable character be continued another year. Mr. Higley's letter concluded:

The subject of outpatient dental treatment has been given very careful consideration by the Veterans' Administration. The whole program has been reviewed in the light of administrative and professional developments and experience in this field, and it is believed that the provisions limiting outpatient dental care for noncompensable service-connected cases contained in the subject bill reflect, generally, a sound and proper reevaluation of the Government's dental program for veterans.

It is my feeling, therefore, that this provision, although a stopgap measure, should be approved. It is my feeling also, and I have contacted all the veterans' organizations, that there is no strong feeling on the part of anyone that damage is being done to veterans. There is no obligation, legal or moral, that we continue the dental treatment of these noncompensable cases unless the veterans apply within 1 year of discharge. There is an estimated saving of some \$20 million if present restrictions are continued. Because these restrictions are reasonable, it is my conviction that permanent legislation to this effect eventually will be recommended by the Hospital Subcommittee of the Committee on Veterans' Affairs and the full Committee on Veterans' Affairs itself when we do finally consider this problem directly.

Mr. SUTTON. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I yield.

Mr. SUTTON. I am sure the gentleman does not want to affect service-connected veterans by this?

Mr. FRELINGHUYSEN. These are the service-connected cases of noncompensable character that we are discussing right now.

Mr. SUTTON. Would you agree to add the word nonservice connected in your amendment?

Mr. FRELINGHUYSEN. I certainly would not. It is service-connected cases of a noncompensable character that we are discussing.

Mr. HAGEN of California. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I yield.

Mr. HAGEN of California. How does the gentleman define noncompensable service-connected dental disability? At what point does the service-connected disability become noncompensable?

Mr. FRELINGHUYSEN. The non-compensable cases would be the less serious ones. I should point out that we do provide that all cases, whether they are service connected or not, can be treated if the veteran patient applies within 1 year after discharge or 1 year after enactment of this legislation. After that time they cannot come back for continued dental treatment. This is a one-treatment arrangement.

Mr. HAGEN of California. Are you not making an invidious distinction between the man whose case became obvious earlier as against the man whose symptoms showed up later?

Mr. FRELINGHUYSEN. I do not think the distinction is invidious.

(Mr. FRELINGHUYSEN asked and was given permission to revise and extend his remarks.)

Mr. LONG. Mr. Chairman, I move to strike out the last word.

I rise only to add my humble word as a dentist to be helpful. An amendment was offered last year doing practically the same thing this one does but, at that time, no one else could offer an amendment.

The amendment, as passed last year, nullified the examinations and certificates for dental service of 3,200,000 soldiers who were service connected, costing the Government in the neighborhood of \$70 million. We will have to spend an equal amount to service connect the same soldiers. It is not fair, after a man has been service connected and processed, to deny him the work he is entitled to have done. You cannot do things like this in a few minutes. You cannot come in here with an amendment like this and, in a few minutes, write into law something that will cost the Government millions of dollars. It takes time to go into a measure of this kind. You cannot come in here with an amendment dealing with a momentous question of this kind and argue it out in 4 or 5 minutes—considering a proposition, I repeat, costing into the millions of dollars. Listen to me, no man can receive dental service unless he is in a hospital that is not service connected. I think it is absolutely wrong to say to a man who has service-connected disability and who has fought in our wars and rendered service to his country that he cannot have work done that is service connected, limiting his time to 1 year. Let us consider matters of this kind before the Committee on Veterans' Affairs. Let us take time to consider the bill on its merits and then refer it back to the House for action. But this same thing, done in the same way last year, cost the Government and our soldiers millions of dollars. Let us defeat this amendment. If you want to pass a law of this kind, let it come through our committees and pass on it in the proper way.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. LONG. I yield.

Mr. FRELINGHUYSEN. I wonder if the distinguished gentleman from Louisiana recalls that we discussed this same problem on the floor last year and our Committee on Veterans' Affairs of which you and I are both members have had 12 months to consider the problem. Of course, it would be better if the Committee on Veterans' Affairs had considered the problem and had recommended legislation, but so far as I know, there has been no objection of any kind from any organizations or individuals that this restriction is an unreasonable one. It is my feeling that as a temporary measure we should continue to include this language in the appropriation bill, and then if we come up with different conclusions from our Committee on Veterans' Affairs and report them out, it can then be considered on a permanent basis.

Mr. LONG. I understand that, but just let me say this to the gentleman. Why all the rush act each year with this kind of a proposition? No committee has had a chance to consider this proposition which involves millions of dollars and service-connected men who have served their country who need their teeth fixed.

Mr. FRELINGHUYSEN. I think the answer to the gentleman's question is quite obvious and it is that you and I and members of the Committee on Veterans' Affairs have failed in our responsibilities as members of the legislative committee to consider legislation such as this.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. LONG. I yield.

Mr. McCORMACK. If the logic of our friend was to be followed, we might just as well abolish all standing committees and let the Appropriations Committee legislate for the House of Representatives.

May I ask this further question: How many veterans were affected by the provisions which were enacted into law last year?

Mr. LONG. Approximately 3,200,000 men who have been service connected and certified, waiting to have their work done, woke up the next day to find out they were not service connected and they could not have their teeth fixed, although they had been examined and processed. Let me tell you a little about the examination and processing business. The dentists of this country, and I am one of them, received \$20 for examining and X-raying patients' mouths preparatory to doing their dental work. Regardless of how much or little they are to have done, if it is a \$4 filling and the mouth must be X-rayed and examined, they pay \$20 for it. Then it takes \$20 more to process the case to get ready and certified back to the dentist to have the man's work done. In other words, it costs the Federal Government to get a man ready to have his work done \$40. Now, all of this work that had been done and paid for last year was for naught. Everyone who knows anything about it admits that it was a tremendous mistake that was made last year when we passed a similar amendment in a similar way—then why make the mistake this year—is the question that I ask. Defeat the

amendment. Let our soldiers have time to have their teeth fixed.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment.

The amendment was rejected.

Mr. MATTHEWS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask the indulgence of the House to let me speak to you a few minutes about a problem that means a great deal in the Eighth Congressional District in Florida. I feel I have the right to ask this indulgence because I have listened with great admiration and I have been very quiet, as a freshman is supposed to be, during the last 2 days, while we have been discussing this most important bill.

A few minutes ago we were talking about hospital needs for our veterans in this country. I listened with particular attention to the remarks of our able colleague, the gentleman from Virginia [Mr. BROYHILL], but I think it should be pointed out to the House that one of the greatest needs for our veterans in the future will be more beds for our neuropsychiatric patients. I am particularly interested in this problem because in the great State of Florida, with 388,000 veterans as of October last year, we had only 116 beds for neuropsychiatric patients.

This past summer I visited three veterans' hospitals in Florida, and I was much pleased with the splendid work that was being done. I asked what was the biggest problem that they faced, and in one of those hospitals the manager without hesitation said, "We need an NP hospital for the State of Florida." He told me at that time that he had 150 non-service-connected NP cases waiting to be placed in hospitals in his particular area.

The State of Florida has this particular problem: If you will think for a moment, it is very unusual. I think no other State in the Union has this problem. It has a coastline, as you know, which is perhaps the biggest coastline of any other State in the Union. The only place the veterans in Florida can go for treatment, as you start from the bottom part of the State, is to go north. We are surrounded on one side by the Atlantic Ocean and on the other side by the Gulf of Mexico. From the Florida Keys to Pensacola is a distance of 1,000 miles, which you have to travel by automobile or by train or by bus.

In 1948 there was authorized an NP hospital in Gainesville, Fla., which happens to be in the Eighth Congressional District which I represent. That hospital was deleted from the building program along with other hospitals, but through the years the hospital site has been retained.

Several weeks ago the Veterans' Administration declared that hospital site as excess to their immediate needs, but I am very grateful to our Committee on Veterans' Affairs who took many days to look into this problem. As a result of their discussion and their deliberations they decided unanimously to ask the Administrator of Veterans' Affairs to

reserve that Gainesville, Fla., hospital site because they believed there would be needed an NP hospital in Florida. They felt there would be a wonderful opportunity to man that hospital because the University of Florida is beginning now a great medical center just a mile away from the city. It will be an area with from one-third to one-half million population that can be reached in a few hours by automobile from any part of the State.

I want to thank this subcommittee on appropriations, particularly the gentleman from California [Mr. PHILLIPS] for permitting me to appear before his committee this past year and talk about this hospital.

I am not asking that the hospital be built now, Mr. Chairman, but I am going to be pleading and supplicating in the years to come, and I beg of you as we go on with this problem that we look at it objectively. I know that ultimately the hospital will be built if it is at all possible.

I thank you for letting me call this to your attention.

Mr. OLIVER P. BOLTON. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I take this time to express my appreciation, and that of the people—particularly of the veterans—of the 11th District of Ohio and of northeastern Ohio to the chairman of this subcommittee on Appropriations, the Honorable JOHN PHILLIPS of California and to the members of his subcommittee for their cooperation and understanding in working out the problem facing the city of Cleveland, and northeastern Ohio, in making it possible to get an adequate water supply at a site for the neuropsychiatric hospital to be located there.

The expansion in this whole area has placed such a burden upon the water system of the city of Cleveland—and upon its bonded indebtedness required to expand it—that it would have been impossible to obtain an adequate water supply at any available site in the area without the authority contained in this bill.

It is not alone the authority which is contained in this bill for which I wish to express my thanks, however, and those of the Honorable FRANCES P. BOLTON, GEORGE BENDER, and WILLIAM AYRES. We are also most appreciative of the sincere consideration and patience and willingness to help work out this problem, so that the veteran may get the treatment he deserves, shown us by the distinguished chairman of the subcommittee and by his committee. He and they have our sincere thanks.

Mr. O'HARA of Illinois. Mr. Chairman, I rise in support of an appropriation for the Tennessee Valley Authority consistent with the demands of a great public service and of adequate national defense. The Authority has a large responsibility which has been placed upon it and which it cannot discharge if handicapped by curtailing appropriations. The great ranking minority member of the Ways and Means Committee,

the gentleman from Tennessee [Mr. COOPER], and others who have spoken in support of appropriations adequate for the legitimate purposes of TVA have presented arguments that are unanswerable.

The Tennessee Valley Authority has served well the Tennessee Valley and the people of the United States. It has served during 20 years of conflict with the myth that enterprise and good management are the exclusive possessions of private organizations. It has emerged from that conflict with a record of achievement that forever gives the lie to the myth that Government operations must be attended by graft, corruption, and inefficiency. The story of 20 years of achievement by TVA is thrillingly told by Gordon R. Clapp, who in 1946 became Chairman of the Board of TVA, succeeding David Lilienthal.

Mr. Clapp is well and favorably known in the Second District in Illinois, which I have the honor to represent. He is indeed one of that rare number of renowned educators, administrators, and scientists that has constituted an unparalleled contribution by the University of Chicago to the advancement and the security of the United States of America. After receiving his bachelor of arts degree from Lawrence College and spending 5 years on the administrative staff, Mr. Clapp came to the University of Chicago for work on his master's degree, which he completed in 1933. After that he went to work for the then brand new TVA as assistant to Floyd Reeves, who was on leave from the University of Chicago. Thirteen years later he became chairman of the board of directors on the resignation of David Lilienthal.

It is interesting to note, Mr. Chairman, how the University of Chicago has figured in all the great scientific and world-changing advancements of our times, including the development of the atomic bomb and the building of the unprecedented power of TVA.

Mr. Chairman, I recommend to my colleagues and to all Americans everywhere a careful reading of the thrilling story of TVA as told by Mr. Clapp in the April 1954 issue of the University of Chicago magazine, which follows:

DAMS, DEADLINES, AND PEOPLE

(By Gordon R. Clapp, M. A., 1933, Chairman of the Board, TVA)

Money, materials, machines, and men are the basic ingredients in building a dam. And the greatest of these is men. The TVA has built 20 dams in 20 years. These dams represent \$760 million. One hundred and thirteen million cubic yards of concrete, rock, and earth fill, 12 times the bulk of the 7 great pyramids of Egypt, have been used to build these structures into the riverbed of the Tennessee and its tributaries. Almost 200,000 different men and women at one time or another have been employed by the TVA for a direct part of this colossal job.

Construction work in any season in any climate cannot put comfort above achievement. But if the planners, builders, and managers know and have faith in men, they will contrive to make the process of construction satisfying to those who do the work—a theater for the kind of creative experience in which men build themselves as they build a dam.

The TVA has built these 20 dams in 20 years with its own employees. Each structure was placed, designed, and built to serve a purpose peculiar to itself. Taken together, they form a unit for the control and productivity of a great river system. There is Fontana Dam—fourth largest and highest in the world—rising 480 feet above bedrock in a canyon of the North Carolina Mountains. There is Kentucky Dam, near the mouth of the Tennessee River as it flows into the Ohio near Paducah, more than a mile and a half long, with two-thirds of its concrete bulk invisible, reaching down a hundred feet through soft overburden to the solid limestone rock. Kentucky's foundations are especially designed to withstand earthquakes such as the one which occurred and changed the course of the Mississippi more than a hundred years ago. The shoreline of the 184-mile-long lake behind Kentucky Dam, if straightened out, would reach from Chicago to Los Angeles. This great reservoir can regulate the full flow of a flooded Tennessee River to reduce flood crests on the lower Ohio and Mississippi.

There are more figures. One could illustrate the size of these operations by pointing out that the 22 million acre-feet of water which can be stored behind TVA's dams could cover the entire State of Illinois to a depth of 8 inches. But these dams were not built for the purpose of impressive statistics. They were built to carry out the purposes specified by the Congress of the United States in the TVA Act of 1933. They were built to control the devastating floods of a river whose annual discharge equals that of the Missouri, to provide a new inland waterway for the benefit of our national commerce. These dams were built to turn the potential electrical energy of the untamed river into the pushbuttons and motors of more than a million and a quarter homes and industries.

The construction of a dam involves a careful fit of a whole new landscape into the economy and mores of the surrounding area. In the process of building these dams and planting in the powerhouses the quiet hum of electric energy, 15,000 families were obliged to move from the backwater areas to be flooded. Flowage rights or full ownership had to be purchased covering 35,000 tracts of land comprising about a million acres. More than 19,000 graves were moved to new places of rest; 170,000 schoolhouses, 180 churches, and, in some instances, whole towns and villages were relocated or physically reorganized to make way for the lakes behind the dams.

HUMAN PERSUASION

Roads, railroads, and bridges were the subject of negotiation, an agreement, and equitable transaction, involving county courts, State and Federal agencies. Owners, congregations, nearest of kin, village councils, whoever and whatever had a right or a reason to be consulted or considered in making the new shoreline an accepted and acceptable part of the landscape, were involved in the result. For every cubic yard of concrete and every ton of steel now solidly fused into TVA dams there were dozens of transactions among people, involving family history, the future of communities, the plans of the local and State agencies, the future use of the new lakes, and the power to be extracted from these new waters by the magic of the dynamo.

Every one of these tens of thousands of transactions and agreements had to proceed under a schedule that was determined by the date the reservoir was scheduled to begin filling. While concrete was being placed at the dam site, land buyers, family relocation specialists, reservoir timber clearance crews, surveyors relocating railroad and highway lines, even technicians from the universities excavating the artifacts from ancient Indian mounds—all who had part in this com-

plex task—were working under deadlines. They were deadlines dictated by water and weather, but determined by TVA engineers to make efficient use of the taxpayers' dollars.

Experienced engineers must schedule the tempo of a dam's construction to bring each major stage of the structure to the point where floods or winter rains cannot hinder the work or undo what has been done. It takes cost-conscious engineering to fit the separate construction operations together so that the new dam will be ready to hold back the seasonal floods and convert their force into use and revenue. If a dam is ready before the seasonal stream flow comes to fill the reservoir, months of idle investment add to the cost of the dam. If the gates of the dam are not ready to be closed when the heavy flows come, flood control is delayed and power revenues are lost. Weeks and days, according to seasons, count heavily in the economy of rebuilding a river.

And it takes a kind of skill in human persuasion, too. A family living in a mountain cove miles from the river, whose property was below the white-staked contour line set by a TVA survey party, might not believe that a lake would by a future definite date submerge their home. It was sometimes necessary to persuade them to visit a dam already built, show them the lake, and by map explain the inevitable course of water along a contour, set by the height of a dam many miles and ridges away.

If a single family remained within the contour lines the water would reach by a certain date, the time gained and the money saved by managerial and engineering skill at the site of the dam would be lost. A new, unfilled reservoir had to become a deserted land, a cleared land with buildings and debris removed, wired to the ground, or burned, with new roads and bridges built above the future shoreline. During the war the gates on a new dam were ready to be closed when the last remaining family, ready to move to a new farm location, was delayed. An aged grandfather suddenly became ill with pneumonia. To move him invited grave risk. For several days, while TVA and a host of other agencies stood by helpfully and hopefully, the closure of the dam was postponed.

These may seem to be small details, but I mention them for a special reason. They are, perhaps, illustrations of a special kind of accountability for a human result, going far beyond engineering precision, that recurs again and again in any fair recital of TVA's work. No greater testimony can be found to demonstrate the eschewment of autocratic methods by TVA, the sympathetic understanding, the high skill as a builder, the concern for human rights and dignity than this fact: The people of the Tennessee Valley came to cherish the TVA as an institution among them.

Certainly the story of how TVA rebuilt the Tennessee River does not support the too-often accepted myth that anything of Government is inefficient, corrupt, and wasteful. What I have described would find many parallels among many Government agencies within the States, within the cities, within the Federal Government. But these stories of achievement are seldom heard against the din of criticism.

Consider a recent chapter in the history of TVA—the story of the Shawnee steam plant at Paducah, Ky. Except for TVA's Kingston steam plant, the Shawnee steam plant will be the biggest in the world. During each 24-hour day its 10 giant units will consume nearly 14,000 tons of coal and can return each day to the alchemy of national defense and the growth of the Nation more than half as much electric energy as is used in Chicago. The Shawnee steam plant is but 1 of 7 TVA is building, but it has a special history.

In the fall of 1950 the Atomic Energy Commission asked TVA, on very short notice, to develop a proposal to supply one million kilowatts of power for a new gaseous diffusion plant the AEC was to build at Paducah.

The TVA submitted a plan and the Atomic Energy Commission accepted it early in November of 1950. Shortly thereafter, the Commission's representatives, followed by the TVA, appeared before the House Committee on Appropriations to support TVA's request for funds. Later in December, before the committee had acted upon the TVA's request for appropriations, the Atomic Energy Commission announced that it had accepted the proposal of a newly formed private utility company to supply half the required power for the AEC plant. The new company had been formed at the behest of a member of the Atomic Energy Commission as subsequently explained by the Commissioner in a very illuminating speech.

TVA did not object to this reversal of the Atomic Energy Commission's position and appeared again before the House Committee on Appropriations with an appropriation request, revised in accord with AEC's decision, to supply not all, but half of the power supply for the Paducah plant. The Atomic Energy Commission entered into a contract with the newly formed Electric Energy, Inc., to supply the other half. In both cases the construction of new steam plants was called for.

The announcement that the power supply for the AEC Paducah plant was to be divided between TVA and Electric Energy, Inc., was hailed by critics of the TVA as a contest between public and private enterprise, giving rise to such statements as the following, which appeared in an Illinois paper:

"Accordingly many companies pooled their ideas and their resources * * * for the expressed purpose of demonstrating to the Government that private enterprise could do the job much better for half the cost."

There was some reason for the optimism thus expressed by TVA's sideline critics, for when the construction of the two plants was started, the first unit of the private company's Joppa Steam Plant was scheduled for initial operation 3 months ahead of TVA's first unit. The schedules were set by agreement between AEC, national defense agencies in charge of allocating materials, the TVA, and EE Inc. Priorities on steel, copper, aluminum, and shop space for the manufacturing of turbogenerators were granted to the Joppa contractors on that basis. If this was to be a race, it was a handicap run by agreement.

SHAWNEE AHEAD

For many months the champions of private enterprise continued to point a gleeful finger at this rigged contest between the private power company and the TVA. Trade journals and some of the daily press heralded this race being run on opposite sides of the beautiful Ohio. After a while, the cries of the professional spectators died down. The reason was easy to discern. It began to be apparent that the wrong horse was coming in ahead. Both TVA and EE Inc. suffered from delayed deliveries from equipment manufacturers. Both encountered labor difficulties. Both projects missed the completion dates originally scheduled.

But on April 9, 1953, approximately 2 years and 3 months from the time construction was started, the first unit at TVA's Shawnee plant was placed in commercial operation while the Joppa smokestacks across the river were still clean and cold. TVA's second Shawnee unit went into operation June 21, 1953. Still no smoke from Joppa. Several weeks later the first unit in the Joppa plant was placed in operation. TVA's third Shawnee unit was placed in operation in October; its fourth unit on January 8, 1954. By this time two of the four Joppa units were running. Thus the original require-

ments promised the AEC by TVA were completed when the Joppa plant still had a long way to go. So much for the much publicized race between private and public enterprise.

There is more to the story. On the basis of figures filed with the Securities and Exchange Commission, the private company's Joppa plant will be substantially more expensive per unit of capacity than the Shawnee plant in contrast with the original estimates by which the contract was obtained from the AEC.

These figures show that the estimated cost of the private company Joppa steam plant of four original units has increased some 45 percent—from \$81 million in May 1951 to \$118 million in June 1953. The costs per kilowatt of capacity have increased over their original estimate of \$126 to \$184. Two more units at the Joppa plant being added to supply a smaller portion of AEC's expanded Paducah facilities show estimates even higher—198 per kilowatt. The taxpayers bought this record, and they will have to pay for it; the private companies lose nothing because these increased costs are paid by the AEC.

In comparison, the TVA Shawnee plant of 4 units was originally estimated to cost \$147.50 per kilowatt. TVA's actual cost experience to date, while building under the same physical conditions as the Joppa plant, shows that the total 10-unit Shawnee plant capable of producing 1,500,000 kilowatts will be completed by TVA at a capital cost well within our estimates.

Let me add a few footnotes and observations bearing upon the significance of the Shawnee-Joppa story in TVA's record in these past 20 years.

On July 31, 1953, EEInc announced it had cancelled its contract with its general contractor for the plant, "in order to permit reorganization of the construction project so that the station can be completed on a more efficient and economical basis." The reorganization was necessary, according to the President of EEInc, as reported in the Paducah Sun-Democrat, because of the lack of productivity and consequent increased costs characterizing the work so far.

The Wall Street Journal reported that construction progress at the big powerplant has been marked by successively rising cost estimates, blamed by Ebasco on the labor situation.

However, as the Paducah Sun-Democrat pointed out: "Shawnee steam plant is being built with the same kind of union labor that is building Joppa's plant."

The comment of the Paducah Sun-Democrat was correct in all respects but one. The TVA was building the Shawnee plant with the same kind of union labor that was building the Joppa plant, but the men on the TVA job were working for the TVA. For as one reporter, who surveyed the situation with great care, stated, "For some reason the men who work for TVA have faith in it." TVA does not consider its Shawnee record the brightest in its catalog of construction projects. We have built dams and steam plants on better schedule, with fewer difficulties, and at lower cost. But others invited the comparison between Shawnee and Joppa.

We have had work stoppages on the Shawnee plant, but not as many as they have had across the river at Joppa. We have drawn our labor forces from the same areas; we pay about the same wages; and we are both building steam plants. The design and manufacture of boilers, turbines, and generators; the fabrication of steel; the erection of steel on the site; the operation of excavating equipment; and the placing of concrete are much the same types of operations whether at Shawnee or at Joppa. Both projects depended upon private manufacturers for boilers, turbogenerators, and the thousands of items of equipment which enter the maze of arrangements in a modern

steam plant. Why, then, was TVA able to move out in front and keep its costs within its estimates as compared with the job across the river? The history of TVA provides the answer: the 20-year record of an organization skilled in management of men and materials and pledged to a practice of performance and accountability time after time.

The Shawnee story adds another chapter to record the achievement by a Government agency in conflict with the myth that enterprise and good management are the exclusive possessions of private organizations. The men who promoted the arrangement perhaps believed that the requirements of national security, in certainty of achievement to supply power when the Paducah AEC plant was ready, called for participation by private companies to hedge the possible failure of the TVA. Perhaps there was not time enough to examine the facts of TVA's past record. Perhaps the American taxpayer could have been saved the burden of the increased cost to the Government of this electrical energy had those who made the decision questioned the common myth too often honored, which holds that Government can never do a job as well or as economically as can private contractors. Had the facts been examined, one would have found a record of performance reassuring both as to TVA's ability to meet deadlines and as to the reliability of its estimates of cost. One would have found a history of hundreds of millions of man-hours with a safety record better than private industry averages for comparable types of work as shown by TVA's numerous awards from the National Safety Council. One would have found an engineering organization designing steam plants which were producing electricity more economically and with more efficient use of fuel than most—a significant point indeed when one realizes that in 2 or 3 years TVA will be burning some 18 million tons of coal per year. Above all, one would have found an organization of construction workers still as unafraid to tackle the biggest construction job on earth as in those first days—workers who override emergencies; if they do not have what they need, they invent a substitute way on the spot, and the job moves ahead. If this story has a moral, perhaps this is it: Enterprise is where you find it.

The record of TVA men and management in rebuilding a river will never completely be told, the results of this achievement can be put into words. Briefly: the flow of water in the river is now controlled. The devastation of floods has been reduced to manageable proportions. Already the savings from TVA's control of floods at one city alone—Chattanooga—have totaled more than one-fourth of the flood-control investment in the entire river system. Other regions benefit, too, for TVA dams reduce the crests of floods on the lower Ohio and the Mississippi by the 2 or 3 feet which make the difference between safety and community disaster. That much is done. Those benefits will grow while the expenditures diminish.

MEN AT WORK

Navigation locks in the dams and a stable channel have made possible a growing commerce on the river. More commerce means more jobs, new markets, and greater economic opportunities for the people of this region and the Mississippi Valley. In 1933, the year TVA began its work, about 33 million ton-miles of freight were shipped on the river, cargo, for the most part, of low value. Last year the rebuilt river carried 1 billion ton-miles, much of it of high value products—petroleum, automobiles, grain, coal, and fertilizer. More commerce will be carried every year. Greater savings to shippers and to consumers will be added each year.

The dams are here to stay. Concrete, earth fill, and rock make them a permanent

part of a landscape more hospitable to human endeavor than it used to be. New kinds of enterprises find a climate for growth in this area because the river is controlled. For the dams that hold back the waters in time of floods, and fill the channel in time of drought, create beautiful lakes, a setting for the third largest and newest business of the area—recreation. And for good measure, these majestic dams provide the electric power which has changed the lives of people on their farms, in their homes, and in new industries throughout the region.

This is a record of men at work. There was no Aladdin's lamp available for TVA to use. Geologists and engineers, cartographers, and surveyors, accountants and land buyers, draftsmen and doctors, union leaders, ironworkers, carpenters—the hard-hat legions of TVA's construction crews—men of more than a score of professions and hundreds of occupations, have dedicated their talents to this job. In these 20 years, scores of thousands of Americans citizens have worked with TVA at one time or another up and down the Tennessee Valley, driving machines, moving mountains to build these great projects to serve mankind. Not, like the pyramids, as monuments to men of lofty station. Not for the glory of designers, engineers, or workmen. Not for the profit of a few. The purpose of the structures stands inscribed upon each one—"Build for the people of the United States."

Mr. PHILLIPS. Mr. Chairman, I ask unanimous consent that all debate on the bill and all amendments thereto close at 5 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. YATES. Mr. Chairman, I object.

Mr. PHILLIPS. Mr. Chairman, I move that all debate on the bill and all amendments thereto close in 10 minutes.

The CHAIRMAN. The question is on the motion.

The motion was agreed to.

Mr. YATES. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, many Members have asked me whether there will be a motion to recommit this bill. There will be such a motion. I will present a motion to recommit with instructions to report the bill back forthwith with the amendment I offered before with respect to FNMA. This is not a technical amendment as it was labeled by the gentleman from California. It is a very practical amendment, and it is a good amendment. It raises a question of values that every Member of this House should consider: Should good assets of the Federal Government be given away at less than their value?

Are mortgages any less worthy resources of the Federal Government than the timberlands that were the subject of a bill that the House defeated a few weeks ago? Of course not, and that is exactly what is involved in my amendment.

The second point that this House should consider is whether or not veterans who are liable on mortgages should be given the same rights as mortgage companies when FNMA decides it should sell the mortgages at a discount. Mortgage companies are now given the right to buy mortgages from FNMA at a discount, but veterans, who have signed those same mortgages are denied the same privilege by the Government

that the companies have. I ask you, Mr. Chairman, is that fair?

The committee thought that it was most unfair. That is why they put the language in the bill that was stricken on the point of order made by the gentleman from Michigan [Mr. Wolcott].

If a veteran is not given the same right as mortgage companies with reference to the mortgage he signed, should the mortgage be sold at a discount? I don't think so. These are good mortgages, these are seasoned mortgages, these are mortgages that were select, these are mortgages that were sold at less than their value to a privileged few companies.

Mr. Chairman, FNMA has been in existence for almost 15 years. Last year, the first year of a Republican administration, was the first time in its history that FNMA mortgages were sold at less than their par value. And they were sold to only a few companies; to companies that qualified under the FNMA regulations.

Read pages 2246 and 2248 of the hearings. If you will read the hearings, you cannot escape the conclusion that the motion to recommit should be agreed to.

Mr. Chairman, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. YATES: Page 65, line 11, after the colon and the words "(12 U. S. C. 1701)", insert the following: "Provided, That no part of any appropriation or fund in this act shall be used for administrative expenses in connection with the issuance of mortgage commitments under all titles of the National Housing Act, as amended, other than on the basis of the issuance of such mortgage commitments to all segments of the population, including those segments which are unable to obtain adequate housing under established home-financing programs, as nearly as possible on the basis of effective housing demand as determined by market analyses prepared by the Federal Housing Administration."

Mr. PHILLIPS. Mr. Chairman, I make the point of order that the amendment is legislation on an appropriation bill and requires additional duties of an agency.

Mr. YATES. Mr. Chairman, I ask for a ruling.

The CHAIRMAN. It appears on its face it is an interference with executive discretion; therefore the Chair sustains the point of order.

Mr. YATES. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

Amendment offered by Mr. YATES: Page 65, line 11, after the colon and following the words "(12 U. S. C. 1701)", insert the following: "That no part of any appropriation or fund in this act shall be used for administrative expenses in connection with the preparation of any housing market analyses which do not include a breakdown of the housing needs of the various segments of the population including those segments which are unable to obtain adequate housing under established home-financing programs."

Mr. PHILLIPS. Mr. Chairman, I make the same point of order that I did to the other amendment. It is legislation upon an appropriation bill and requires additional duties and responsibilities of an administrative agency.

Mr. YATES. Mr. Chairman, in response to that, let me say this is certainly a proper limitation upon an appropriation. Funds are provided right now for the preparation of such housing market analyses. All this would do would be to limit the funds to certain types of housing market analyses and I submit, therefore, the amendment is proper.

The CHAIRMAN. The Chair is ready to rule.

Up to the word "analyses," in the opinion of the Chair, the amendment is all right. Following that, the amendment is an infringement upon the duties of an executive and imposes additional duties. In the opinion of the Chair, the point of order should be sustained and is sustained.

(Mr. YATES asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. YATES. Mr. Chairman, the key to effective slum clearance today is relocation of the people displaced by the slum clearance project. Some of those displaced have the funds with which to buy housing even at the high prices today, but cannot do so because of restrictions placed in their way. Out of 123 slum-clearance projects developed under title I of the Housing Act of 1949, nearly two-thirds of the families living in these areas are minority families who cannot find housing open to them at any price. The solution to their problem is in greatest measure, the solution of the most complicated obstacle facing slum clearance today. It is for this reason that I offer my amendment, to make sure that the facilities of the Federal Housing Administration are used to help solve the problem, not to hinder it. The purpose of my amendment is to assure that funds we appropriate in this bill are to be used for the solution of the housing problems of all Americans.

I recommend to you the March issue of the publication of the National Association of Home Builders called the Correlator. It is devoted to the subject of housing minority groups and I want to congratulate the National Association of Home Builders for its courage and good judgment in bringing the problem of minority housing out in the open for discussion and action.

The association recommends that its members attack the problem not only for the reason that it will help solve a very difficult social problem, but really for profit as well. Financing is, of course, the heart of the problem and FHA can render a tremendous service if it is so minded.

The Correlator shows a survey that was taken last December on general activity in minority housing. Fifty percent of the replies indicated there was some building for minority groups. The remaining 50 percent showed there was no building for such groups. Various reasons were given: a lack of mortgage financing; no local problem or need; a lack of suitable sites for development; the low income of minority groups. The survey indicated that there was a shortage of funds, not so much because of

any drying up of the mortgage market, as because of the reluctance of lenders to accept loans on homes or rental units for minority groups. FHA can help correct this situation.

Less the purposes of my amendment be misunderstood, let me say that this is a problem which particularly affects cities such as Chicago. Instances of discrimination against members of minority races who sought assistance have been called to my attention on several occasions. I have been told that FHA officials have gone so far as to suggest that builders might find it more advantageous to build homes in areas other than Negro neighborhoods, even though there is a tremendous market for minority housing in the city of Chicago. If we expect to clear slums and rebuild our metropolitan areas, the housing problems of minority families must be squarely faced and solved. FHA can be a powerful tool, not only in clearing slums but in preventing them, as well. I urge that my amendment be adopted.

[Mr. SUTTON addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. PHILLIPS].

Mr. PHILLIPS. Mr. Chairman, I speak briefly upon the motion to recommit which will shortly be made. The motion to recommit brings before us the same question which was defeated by the House when it was made as a separate motion. I submit to you now that we are in effect interfering with the proper administrative duties of the agency known as Fannie May. We are saying that it may buy these mortgages at a discount; that they may not sell them at a profit in order to keep them in circulation, to keep their portfolios at a proper level; that they may not do what we actually asked them to do, Mr. Chairman, in last year's bill, which was to dispose of these mortgages and get them out of the hands of the Federal Government so that we may apply the money against the national debt.

Mr. Chairman, I think the same decision which was made when the motion was made on the floor is the proper vote on the motion to recommit. I hope it will be defeated.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. PHILLIPS. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GRAHAM, chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 8583) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and of-

fices, for the fiscal year ending June 30, 1955, and for other purposes, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. PHILLIPS. Mr. Speaker, I move the previous question on the bill and the amendment thereto to final passage.

The previous question was ordered.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. YATES. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. YATES. In its present form I am, Mr. Speaker.

The SPEAKER. Does any Member unqualifiedly opposed to the bill desire to offer a motion to recommit?

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. YATES moves to recommit the bill to the Committee on Appropriations with instructions to report the same back forthwith with the following amendment: On page 59, line 9, after "\$150,000", insert "Provided further, That no part of any appropriation or fund in this act shall be used for administrative expenses in connection with any sale of mortgages owned by the Administration at a price less than the par value thereof."

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. YATES. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 180, nays 214, not voting 40, as follows:

[Roll No. 43]

YEAS—180

Abbott	Condon	Friedel
Abernethy	Cooley	Garmatz
Addonizio	Cooper	Gary
Albert	Crosser	Gordon
Alexander	Davis, Ga.	Granahan
Ashmore	Dawson, Ill.	Grant
Aspinall	Deane	Gregory
Bailey	Delaney	Hagen, Calif.
Barden	Dempsey	Hagen, Minn.
Barrett	Dies	Hardy
Battle	Dodd	Harrison, Va.
Bennett, Fla.	Dollinger	Hart
Bentsen	Donohue	Hays, Ohio
Blatnik	Donovan	Hébert
Boggs	Dorn, S. C.	Heller
Boland	Dowdy	Holifield
Bolling	Doyle	Holtzman
Bonner	Durham	Howell
Bowler	Eberharter	Ikard
Brooks, La.	Edmondson	Johnson, Wis.
Brooks, Tex.	Elliott	Jones, Ala.
Brown, Ga.	Engle	Jones, N. C.
Buchanan	Evins	Karsten, Mo.
Buckley	Fallon	Kelly, N. Y.
Burdick	Feighan	Keogh
Byrd	Fernandez	Kilday
Byrne, Pa.	Fine	King, Calif.
Camp	Fisher	Kirwan
Cannon	Fogarty	Klein
Carnahan	Forand	Kluczynski
Celler	Forrester	Landrum
Chelf	Fountain	Lane
Chudoff	Frazier	Lanham

Lantaff	O'Konski	Sheppard	Dingell	McGregor	Roberts
Lesinski	O'Neill	Shuford	Green	McIntire	Seely-Brown
Long	Passman	Sikes	Hale	Mack, Wash.	Short
McCarthy	Patman	Smith, Miss.	Hoffman, Mich.	Miller, Calif.	Sieminski
McCormack	Perkins	Smith, Va.	Jensen	Nelson	Tuck
McMillan	Pfost	Spence	Jones, Mo.	Patten	Velde
Machrowicz	Philbin	Staggers	Kee	Pillion	Vinson
Mack, Ill.	Pilcher	Steed	Kelley, Pa.	Rayburn	Weichel
Madden	Poage	Sullivan	Kersten, Wis.	Regan	Wilson, Tex.
Magnuson	Polk	Sutton	Lucas	Richards	
Mahon	Powell	Teague	Lyle	Rivers	
Marshall	Preston	Thompson, Tex.			
Matthews	Price	Thornberry			
Metcalf	Priest	Trimble			
Miller, Kans.	Rabaut	Walter			
Mills	Rains	Wheeler			
Mollohan	Reams	Whitten			
Morgan	Rhodes, Pa.	Wickersham			
Moss	Riley	Wier			
Moulder	Robeson, Va.	Williams, Miss.			
Multer	Rodino	Williams, N. J.			
Murray	Rogers, Tex.	Willis			
Natcher	Rooney	Winstead			
O'Brien, Ill.	Roosevelt	Withrow			
O'Brien, Mich.	Secrest	Yates			
O'Brien, N. Y.	Selden	Yorty			
O'Hara, Ill.	Shelley	Zablocki			

NAYS—214

Adair	Gathings	Morrison
Allen, Calif.	Gavin	Mumma
Allen, Ill.	Gentry	Neal
Andersen,	George	Nicholson
H. Carl	Golden	Norblad
Andresen,	Goodwin	Norrell
August H.	Graham	Oakman
Andrews	Gross	O'Hara, Minn.
Angell	Gubser	Osmers
Arends	Gwinn	Ostertag
Auchincloss	Haley	Patterson
Ayres	Halleck	Pelly
Baker	Hand	Phillips
Bates	Harden	Poff
Beamer	Harris	Prouty
Becker	Harrison, Nebr.	Radwan
Belcher	Harrison, Wyo.	Ray
Bennett, Mich.	Harvey	Reece, Tenn.
Berry	Hays, Ark.	Reed, Ill.
Betts	Herlong	Reed, N. Y.
Bishop	Heseltun	Rees, Kans.
Bolton,	Hess	Rhodes, Ariz.
Frances P.	Hiestand	Riehlman
Bolton,	Hill	Robison, Ky.
Oliver P.	Hillelson	Rogers, Colo.
Bonin	Hillings	Rogers, Fla.
Bosch	Hinshaw	Rogers, Mass.
Bow	Hoeben	Sadlak
Bray	Hoffman, Ill.	St. George
Brown, Ohio	Holmes	Saylor
Brownson	Holt	Schenck
Broyhill	Hope	Scherer
Budge	Horan	Scott
Burleson	Hosmer	Scrivner
Busbey	Hruska	Scudder
Bush	Hunter	Shafer
Byrnes, Wis.	Hyde	Sheehan
Campbell	Jackson	Simpson, Ill.
Canfield	James	Simpson, Pa.
Carrigg	Jarman	Small
Cederberg	Javits	Smith, Kans.
Chenoweth	Jenkins	Smith, Wis.
Church	Johnson, Calif.	Springer
Clevenger	Jonas, Ill.	Stauffer
Cole, Mo.	Jonas, N. C.	Stringfellow
Cole, N. Y.	Judd	Taber
Colmer	Kean	Talle
Coon	Kearney	Taylor
Corbett	Kearns	Thomas
Cotton	Keating	Thompson, La.
Coudert	Kilburn	Thompson,
Cretella	King, Pa.	Mich.
Crumpacker	Knox	Tollefson
Cunningham	Krueger	Utt
Curtis, Mass.	Laird	Van Pelt
Curtis, Mo.	Latham	Van Zandt
Curtis, Nebr.	LeCompte	Vorsell
Dague	Lipscomb	Wainwright
Davis, Wis.	Love	Wampler
Dawson, Utah	McConnell	Warburton
Derounian	McCulloch	Watts
Devcreux	McDonough	Westland
D'Ewart	McVey	Wharton
Dolliver	Mailliard	Widnall
Dondero	Martin, Iowa	Wigglesworth
Dorn, N. Y.	Mason	Williams, N. Y.
Ellsworth	Meador	Wilson, Calif.
Fenton	Merrill	Wilson, Ind.
Fino	Morrow	Wolcott
Ford	Miller, Md.	Wolverton
Frelinghuysen	Miller, Nebr.	Young
Fulton	Miller, N. Y.	Younger
Gamble	Morano	

NOT VOTING—40

Bender	Bramblett	Chiperfield
Bentley	Carlyle	Clardy
Boykin	Chatham	Davis, Tenn.

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Patten for, with Mr. McGregor against.
Mr. Kelley of Pennsylvania for, with Mr. McIntire against.

Mr. Green for, with Mr. Short against.
Mr. Chatham for, with Mr. Hale against.
Mr. Miller of California for, with Mr. Weichel against.

Mr. Dingell for, with Mr. Bramblett against.
Mr. Sieminski for, with Mr. Chiperfield against.

Mrs. Kee for, with Mr. Bentley against.
Mr. Richards for, with Mr. Velde against.
Mr. Rayburn for, with Mr. Mack of Washington against.

Until further notice:

Mr. Bender with Mr. Boykin.
Mr. Clardy with Mr. Rivers.
Mr. Kersten of Wisconsin with Mr. Davis of Tennessee.

Mr. Seely-Brown with Mr. Regan.
Mr. Nelson with Mr. Vinson
Mr. Hoffman of Michigan with Mr. Jones of Missouri.
Mr. Jensen with Mr. Carlyle.
Mr. Pillion with Mr. Wilson of Texas.

Mr. FERNANDEZ changed his vote from 'yea' to 'nay.'

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow morning.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the Committees on Education and Labor and Interstate and Foreign Commerce may meet during general debate tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK, from the Committee on Rules, reported the following privileged resolution (H. Res. 488, Rept. No. 1456), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2556) to amend section 3185 of title 18, United States Code, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on the Judiciary now in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

Mr. PHILLIPS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the appropriation bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PHILLIPS. Mr. Speaker, I ask unanimous consent that the Committee on Government Operations of the House may have until midnight tonight to file a report on the bill H. R. 7306 and to file its 12th intermediate report on budget justifications for procurement of overcoats.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

(Mr. PHILBIN asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. PHILBIN. Mr. Speaker, on Greek Independence Day I proudly hail the stalwart glorious Greek nation and its gallant people.

The glories of Greece would take volumes to recite, but one does not have to look to the past to find glories because they exist in the Greece of the very present hour. No nation in history has ever given a more inspiring example of determination to preserve its freedom than the Greek nation has given within the past few years.

Greece has been split and divided by the designs of diabolical communism into conflicting segments. War, and the aftermath of war, left a trail of sorrow, suffering, and privation through

practically every community in the land. Fierce political agitation and social unrest promoted by the Communists spread internecine strife among the people; the economy was shot through with disorganization and debilitating influences. The fires of internal insurrection swept across the country. The hour was dark, the prospect dismal; heavy shadows spread over the land. Want, need, and bloodshed stalked through the streets of many places. But the gallant Greeks never lost heart and by their indomitable example they have revived the glories of ancient Greece in our modern day as never before in history.

It is true that our own Nation rendered substantial assistance in this great, inspiring fight against Communists so courageously waged by the Greek people. There is no question but that this wholehearted aid played a substantial part in rehabilitating their country and strengthening their purpose to fight internal Communist infiltration and to stand boldly against Communist aggression. But one fact stands out above all other in this situation; namely, that the Greek people themselves never lost heart, never lost their superb courage. Their will to preserve their precious freedom was predominant in their minds and was translated into their national consciousness.

Thus Greece has been stabilized by the invincible spirit of its people. It has taken its proud place by the side of those who are battling for democratic survival against Communist conspiracy—a battle that will continue until tyranny disappears and peace is again enthroned in the world.

There are still great issues to be resolved affecting Greek unity and autonomy. The nation is working desperately to invigorate its economic life and sustain its free way. Beseated by vestiges of imperialism, it is both natural and commendable that the Greeks should seek to incorporate historically and traditionally Greek Cyprus into the national governmental structure. With these aims of self-determination, autonomy, and unity it behooves the liberty-loving peoples of the world to join, and it is particularly fitting that we of America from our great, strong bastion of freedom should lend our sympathy, encouragement, and assistance. May Greece under the benign Master endure throughout the centuries in freedom and peace.

SECRETARY OF STATE DULLES

The SPEAKER. Under special order heretofore entered, the gentleman from West Virginia [Mr. BYRD] is recognized for 30 minutes.

Mr. BYRD. Mr. Speaker, I am sure that the Congress is encouraged by the clear, firm statements of Secretary of State Dulles before the Overseas Press Club of America on Monday night when he announced that our Government has no intention of recognizing Red China or acquiescing in that country's admission to the United Nations. This attitude of Mr. Dulles is especially liked by those of us who, in recent days, have been ex-

pressing the sentiments of this body with reference to the issue.

Secretary Dulles very courageously and effectively made out the case against Communist China as a disturber of the peace, and as an aggressor in Korea and Indochina. He cited the record to relate instance after instance of Communist violation of pacts and agreements. He made the indictment that, since the armistice in Korea, the Chinese have violated the terms of the agreement at least 40 times; and he indicated that the violations are probably much greater inasmuch as there is no way of actually determining them, because Swedish and Swiss members of the Supervisory Commission are prevented free access to North Korea to detect Communist violations. With reference to the fighting in Indochina, Mr. Dulles referred to the great strategic value of that area, and the fact that Communist control of Indochina would only precede attempts by the Communists to dominate all of southeast Asia. He referred to President Eisenhower's appraisal of the problem a week ago today when the President said that the area is of transcendent importance. The Secretary of State said that "the imposition on southeast Asia of the political system of Communist Russia and its Chinese Communist ally would be a grave threat to the whole free community." He went on to say, "The United States feels that that possibility should not be passively accepted, but should be met by united action"—action which "might involve serious risks." It remains to be revealed what Mr. Dulles meant by "united action," but certainly there can be ready agreement with his position that free peoples need to give notice to the Communists that action aimed at enslaving Asia will be met surely and decisively.

It is later than we think. The Red pressure is being put on Indochina to tidy that war theater for use as a Geneva showpiece. According to Anne O'Hare McCormick's writing on the editorial page of the New York Times on March 24:

It is clear as print that the Communists launched their powerful offensive last week with the object of gaining a smashing victory on the eve of the Geneva conference. The Communist game is to intensify the pressure to make France more amenable at Geneva.

This vividly illustrates how the master minds of the Communist conspiracy in Moscow and Peiping use aggression to further their inimical aims.

Communist diplomacy takes its cue from the words of its late master, Stalin.

Words—

Stalin said—

must have no relation to action—otherwise what kind of diplomacy is it? Words are one thing—actions another. Good words are a mask for concealment of bad deeds. Sincere diplomacy is no more possible than dry water on wooden iron.

Certainly, the Communists are giving ample evidence that they are following Stalin's words to the letter.

The effort to extend the Communist domain goes on unendingly, day and night; not only in the aggressive search

for territory and raw materials, but also for the souls and minds of mankind.

This reality we must have ever before us if we, in our day, are to do our duty in preserving liberty and passing on the institutions of free, democratic Western society to those who will come after us. We are in a time of historic challenge, and much depends on how we conduct ourselves.

In view of recent developments, Mr. Speaker, it would be time well spent, not wasted, to retrace the events of former years and briefly review the record.

It is a well established fact, of course, that, when Mussolini sent his legions into Ethiopia and the powers of Europe countenanced that outrageous aggression, it spelled the end of collective security in that day. The lesson of the major European powers' backdown in that instant was not lost on an obscure Austrian who had power-crazed dreams of his own, and it was not long before Hitler was summoning Chamberlain to Munich and shaming the British Lion before the world. Despite all the heroic efforts of the appeasement press to sugar-coat that bitter pill, it was only too apparent that the sellout at Munich had not guaranteed the peace, but had, in reality, insured World War II.

Now we have before us the possibility of a Munich for Asia, and that may take place at the forthcoming Geneva Conference; but I must not get ahead of my story.

Is our memory so short or our conscience so dulled that we have already forgotten Korea? Perhaps we had better refresh our recollections.

For 18 months prior to the attack of the North Koreans upon their brothers in the Republic of Korea, the Reds had been massed in strength on the north side of the 38th parallel. This had all been carefully planned by Moscow, in concert with the Chinese Reds. There had been a number of border incidents, prior to June 25, involving several thousand troops. This was all a buildup to the decisive thrust which gave the invaders the invaluable element of surprise in the big push. It is well to bear in mind that the Republic of Korea, created and established under the sponsorship of the United Nations, and having no aims of aggression, had only such arms and trained manpower as were required for internal security.

To destroy this national infant of the United Nations' creation was a prize of real worth to the Communist world, for apart from what it would give them in the way of another captive state, think what it would have meant in the way of destroying the prestige of the United Nations.

Despite the fact that ROK forces had only a minimum of arms necessary to preserve internal security, and in the face of overwhelming odds, the defenders of the Republic of Korea fought bravely and won the time necessary for aid to arrive, and eventually, with American aid, turned back the invader.

We all know the marvelous accomplishments of our soldiery in Korea, and how we really defeated the enemy; so, too, do we know that when we were get-

83^D CONGRESS
2^D SESSION

H. R. 8583

IN THE SENATE OF THE UNITED STATES

APRIL 1 (legislative day, MARCH 1), 1954

Read twice and referred to the Committee on Appropriations

AN ACT

Making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1955, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the Execu-
5 tive Office and sundry independent executive bureaus, boards,

1 commissions, corporations, agencies, and offices, for the
2 fiscal year ending June 30, 1955, namely:

3 TITLE I

4 EXECUTIVE OFFICE OF THE PRESIDENT

5 COMPENSATION OF THE PRESIDENT

6 For compensation of the President, including an expense
7 allowance at the rate of \$50,000 per annum, as authorized
8 by the Act of January 19, 1949 (3 U. S. C. 102),
9 \$150,000.

10 THE WHITE HOUSE OFFICE

11 Salaries and expenses: For expenses necessary for The
12 White House Office, including not to exceed \$215,000 for
13 services as authorized by section 15 of the Act of August 2,
14 1946 (5 U. S. C. 55a), at such per diem rates for individuals
15 as the President may specify, and other personal services
16 without regard to the provisions of law regulating the
17 employment and compensation of persons in the Government
18 service; newspapers, periodicals, teletype news service, and
19 travel and official entertainment expenses of the President,
20 to be accounted for solely on his certificate; \$1,895,000.

21 EXECUTIVE MANSION AND GROUNDS

22 For the care, maintenance, repair and alteration, refur-
23 nishing, improvement, heating and lighting, including elec-

1 tric power and fixtures, of the Executive Mansion and the
2 Executive Mansion grounds, and traveling expenses, to be
3 expended as the President may determine, notwithstanding
4 the provisions of this or any other Act, \$366,200.

5 BUREAU OF THE BUDGET

6 Salaries and expenses: For expenses necessary for the
7 Bureau of the Budget, including newspapers and periodicals
8 (not exceeding \$200); teletype news service (not exceed-
9 ing \$900); not to exceed \$70,000 for expenses of travel;
10 and not to exceed \$20,000 for services as authorized by sec-
11 tion 15 of the Act of August 2, 1946 (5 U. S. C. 55a), at
12 rates not to exceed \$50 per diem for individuals; \$3,382,500:
13 *Provided*, That the Bureau of the Budget is authorized, with-
14 out regard to section 505 of the Classification Act of 1949,
15 to place two additional positions in grade GS-18 and two ad-
16 ditional positions in grade GS-17 of the General Schedule
17 established by said Act.

18 COUNCIL OF ECONOMIC ADVISERS

19 Salaries and expenses: For necessary expenses of the
20 Council in carrying out its functions under the Employment
21 Act of 1946 (15 U. S. C. 1021), including newspapers and
22 periodicals (not exceeding \$200); not exceeding \$15,000
23 for expenses of travel; and press clippings (not exceeding

1 \$300) ; \$250,000, together with the unobligated balance
2 of funds appropriated for this purpose in the "Supplemental
3 Appropriation Act, 1954".

4 NATIONAL SECURITY COUNCIL

5 Salaries and expenses: For expenses necessary for the
6 National Security Council, including services as authorized
7 by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a),
8 at rates not in excess of \$50 per diem for individuals; ac-
9 ceptance and utilization of voluntary and uncompensated
10 services; and expenses of attendance at meetings concerned
11 with work related to the activity of the Council; \$200,000.

12 OFFICE OF DEFENSE MOBILIZATION

13 Salaries and expenses: For expenses necessary for the
14 Office of Defense Mobilization, including newspapers and
15 periodicals (not exceeding \$500) ; hire of passenger motor
16 vehicles; reimbursement of the General Services Adminis-
17 tration for security guard service; and expenses of attendance
18 at meetings concerned with the purposes of this appropria-
19 tion; \$2,134,000, of which \$134,000 shall be available for
20 the Interdepartmental Radio Advisory Committee: *Provided*,
21 That contracts for not to exceed eight persons under this
22 appropriation for temporary or intermittent services as au-
23 thorized by section 15 of the Act of August 2, 1946 (5
24 U. S. C. 55a), may be renewed annually.

1 FUNDS APPROPRIATED TO THE PRESIDENT

2 EMERGENCY FUND FOR THE PRESIDENT

3 NATIONAL DEFENSE

4 For expenses necessary to enable the President, through
5 such officers or agencies of the Government as he may
6 designate, and without regard to such provisions of law
7 regarding the expenditure of Government funds or the com-
8 pensation and employment of persons in the Government
9 service as he may specify, to provide in his discretion for
10 emergencies affecting the national interest, security, or de-
11 fense which may arise at home or abroad during the current
12 fiscal year, \$150,000, together with not to exceed \$600,000
13 of the unobligated balance in such fund on June 30, 1954:
14 *Provided*, That no part of this appropriation shall be avail-
15 able for allocation to finance a function or project for which
16 function or project a budget estimate of appropriation was
17 transmitted pursuant to law during the Eighty-third Con-
18 gress, second session, and Eighty-fourth Congress, first ses-
19 sion, and such appropriation denied after consideration
20 thereof by the Senate or House of Representatives or by
21 the Committee on Appropriations of either body.

22 EXPENSES OF MANAGEMENT IMPROVEMENT

23 For expenses necessary to assist the President in improv-
24 ing the management of executive agencies and in obtaining

1 greater economy and efficiency through the establishment
2 of more efficient business methods in Government operations,
3 including services as authorized by section 15 of the Act of
4 August 2, 1946 (5 U. S. C. 55a), at rates for individuals
5 not to exceed \$50 per diem, by allocation to any agency or
6 office in the executive branch for the conduct, under the
7 general direction of the Bureau of the Budget, of examina-
8 tions and appraisals of, and the development and installation
9 of improvements in, the organization and operations of such
10 agency or of other agencies in the executive branch,
11 \$250,000, to remain available until expended, and
12 which shall be available without regard to the provisions of
13 subsection (c) of section 3679 of the Revised Statutes, as
14 amended.

15 INDEPENDENT OFFICES

16 AMERICAN BATTLE MONUMENTS COMMISSION

17 Salaries and expenses: For necessary expenses, as
18 authorized by the Act of June 26, 1946 (36 U. S. C. 121,
19 123-132, 138), including the acquisition of land or interest
20 in land in foreign countries; purchase and repair of uni-
21 forms for caretakers of national cemeteries and monuments
22 outside of the United States and its Territories and posses-
23 sions at a cost not exceeding \$500; not to exceed \$12,000
24 for expenses of travel; rent of office and garage space in
25 foreign countries; purchase of one passenger motor vehicle

1 for replacement only; and insurance of official motor vehicles
2 in foreign countries when required by law of such countries;
3 \$775,000: *Provided*, That where station allowance has
4 been authorized by the Department of the Army for officers
5 of the Army serving the Army at certain foreign stations,
6 the same allowance shall be authorized for officers of the
7 Armed Forces assigned to the Commission while serving
8 at the same foreign stations, and this appropriation is hereby
9 made available for the payment of such allowance: *Pro-*
10 *vided further*, That when traveling on business of the Com-
11 mission, officers of the Armed Forces serving as members or
12 as secretary of the Commission may be reimbursed for ex-
13 penses as provided for civilian members of the Commission:
14 *Provided further*, That the Commission may reimburse other
15 Government agencies, including the Armed Forces, for sal-
16 ary, pay, and allowances of personnel assigned to it.

17 Construction of memorials and cemeteries: For expenses
18 necessary for the permanent design and construction of
19 memorials and cemeteries in foreign countries as authorized
20 by the Act of June 26, 1946 (36 U. S. C. 121, 123-132,
21 138b), and the Act of August 5, 1947 (50 U. S. C. App.
22 1819), including purchase of one passenger motor vehicle for
23 replacement only, and not to exceed \$41,276 for expenses of
24 travel, \$3,500,000, to remain available until expended:
25 *Provided*, That the Commission is hereby authorized to erect

1 such works of architecture and art in the National Memorial
2 Cemetery of the Pacific as may be determined by the Com-
3 mission with the consent of the Secretary of the Army.

4 ATOMIC ENERGY COMMISSION

5 Operating expenses: For necessary operating expenses
6 of the Commission in carrying out the purposes of the Atomic
7 Energy Act of 1946, including the employment of aliens;
8 services authorized by section 15 of the Act of August 2,
9 1946 (5 U. S. C. 55a) ; maintenance and operation of air-
10 craft; publication and dissemination of atomic information;
11 purchase, repair, and cleaning of uniforms; purchase of
12 newspapers and periodicals (not to exceed \$5,000) ; official
13 entertainment expenses (not to exceed \$5,000) ; not to
14 exceed \$2,564,130 for expenses of travel; reimbursement of
15 the General Services Administration for security guard serv-
16 ices; not to exceed \$37,232,900 for personal services; and
17 hire of passenger motor vehicles; \$1,093,462,300, together
18 with the unexpended balances, as of June 30, 1954, of prior
19 year appropriations made available under this head to the
20 Atomic Energy Commission: *Provided*, That of such amounts
21 \$100,000 may be expended for objects of a confidential
22 nature and in any such case the certificate of the Commission
23 as to the amount of the expenditure and that it is deemed
24 inadvisable to specify the nature thereof shall be deemed
25 a sufficient voucher for the sum therein expressed to have

1 been expended: *Provided further*, That from this appropria-
2 tion transfers of sums may be made to other agencies of the
3 Government for the performance of the work for which this
4 appropriation is made, and in such cases the sums so trans-
5 ferred may be merged with the appropriation to which trans-
6 ferred: *Provided further*, That no part of this appropriation
7 shall be used to pay the salary of any officer or employee
8 (except such officers and employees whose compensation is
9 fixed by law, and scientific and technical personnel) whose
10 position would be subject to the Classification Act of 1949,
11 as amended, if such Act were applicable to such position, at
12 a rate in excess of the rate payable under such Act for posi-
13 tions of equivalent difficulty or responsibility: *Provided*
14 *further*, That no part of this appropriation shall be used in
15 connection with the payment of a fixed fee to any contractor
16 or firm of contractors engaged under a cost-plus-a-fixed-fee
17 contract or contracts at any installation of the Commission,
18 where that fee for community management is at a rate in
19 excess of \$90,000 per annum, or for the operation of a trans-
20 portation system where that fee is at a rate in excess of
21 \$45,000 per annum.

22 Plant and equipment: For expenses of the Commission
23 in connection with the purchase and construction of plant
24 and the acquisition of equipment and other expenses inci-

1 dental thereto necessary in carrying out the purposes of the
2 Atomic Energy Act of 1946, including purchase of land and
3 interests in land; purchase of aircraft; purchase (not to
4 exceed two hundred and fifty-eight for replacement only)
5 and hire of passenger motor vehicles; \$96,498,400, to re-
6 main available until expended: *Provided*, That the un-
7 expended balances of prior year appropriations made avail-
8 able under this head shall be merged with this appropriation:
9 *Provided further*, That in addition to funds allocated for
10 research and development for reactors the Commission may
11 expend from funds provided under this head such sum as
12 may be necessary, not to exceed \$7,000,000, for beginning
13 of research or construction of such reactors, without regard
14 to any other provision of this Act: *Provided further*, That no
15 part of the foregoing appropriation shall be available for the
16 construction of any office building, residence, warehouse or
17 similar structure, utility, or other specific portion or unit of a
18 project, unless funds are available for the completion of such
19 building, utility, or other specific portion or unit of such project.
20 The foregoing proviso shall not be construed to prevent the pur-
21 chase of land for any project, the construction of any new
22 building or procurement of any machinery, equipment or
23 materials therefor, nor any utility nor any portion or unit of
24 a specific project if the funds are available to pay the cost of
25 such land, the cost of such building, machinery, equipment

1 or materials, or the cost of such utility or the cost of any
2 such specific portion or unit of such project: *Provided*
3 *further*, That no part of this appropriation shall be used—

4 (A) to start any new construction project for which
5 an estimate was not included in the budget for the
6 current fiscal year unless it be a substitute therefor
7 within the limits of cost included in the budget; and

8 (B) to start any new construction project the
9 currently estimated cost of which exceeds by thirty-
10 five per centum the estimated cost included therefor
11 in such budget.

12 No part of the appropriations herein made to the Atomic
13 Energy Commission shall be available for payments under
14 any contract hereafter negotiated without advertising by the
15 Commission, except contracts with any foreign government
16 or any agency thereof and contracts for source material with
17 foreign producers, unless such contract includes a clause to
18 the effect that the Comptroller General of the United States
19 or any of his duly authorized representatives shall until the
20 expiration of three years after final payment have access
21 to and the right to examine any directly pertinent books,
22 documents, papers, and records of the contractor or any
23 of his subcontractors engaged in the performance of and
24 involving transactions related to such contracts or subcon-
25 tracts: *Provided*, That no part of such appropriations shall

1 be available for payments under any such contract which
2 includes any provision precluding an audit by the General
3 Accounting Office of any transaction under such contract.

4 Any appropriation available under this Act or hereto-
5 fore made to the Atomic Energy Commission may initially
6 be used subject to limitations in this Act during the fiscal
7 year 1955 to finance the procurement of materials, services,
8 or other costs which are a part of work or activities for which
9 funds have been provided in any other appropriation avail-
10 able to the Commission: *Provided*, That appropriate transfers
11 or adjustments between such appropriations shall subse-
12 quently be made for such costs on the basis of actual appli-
13 cation determined in accordance with generally accepted
14 accounting principles.

15 Not to exceed 5 per centum of any appropriation under
16 this head may be transferred to any other such appropria-
17 tion but no such appropriation shall be increased by more
18 than 5 per centum by any such transfers, and any such
19 transfers shall be reported promptly to the appropriations
20 committees of the House and Senate.

21 No part of any appropriation herein made to the
22 Atomic Energy Commission shall be used to confer a fellow-
23 ship on any person who advocates or who is a member of an
24 organization or party that advocates the overthrow of the
25 Government of the United States by force or violence or with

1 respect to whom the Commission finds, upon investigation
2 and report by the Civil Service Commission on the char-
3 acter, associations, and loyalty of whom, that reasonable
4 grounds exist for belief that such person is disloyal to the
5 Government of the United States: *Provided*, That any per-
6 son who advocates or who is a member of an organization
7 or party that advocates the overthrow of the Government
8 of the United States by force or violence and accepts em-
9 ployment or a fellowship the salary, wages, stipend, grant,
10 or expenses for which are paid from any appropriation con-
11 tained herein shall be guilty of a felony and, upon convic-
12 tion, shall be fined not more than \$1,000 or imprisoned
13 for not more than one year, or both: *Provided further*,
14 That the above penal clause shall be in addition to, and not
15 in substitution for, any other provisions of existing law.

16 CIVIL SERVICE COMMISSION

17 Salaries and expenses: For necessary expenses, in-
18 cluding not to exceed \$29,000 for services as authorized
19 by section 15 of the Act of August 2, 1946 (5 U. S. C.
20 55a); not to exceed \$10,000 for medical examinations
21 performed for veterans by private physicians on a fee
22 basis; travel expenses of examiners acting under the direc-
23 tion of the Commission, and expenses of examinations and
24 investigations held in Washington and elsewhere; not to
25 exceed \$100 for the purchase of newspapers and periodicals

1 (excluding scientific, technical, trade or traffic periodicals,
2 for official use) ; payment in advance for library member-
3 ship in societies whose publications are available to members
4 only or to members at a price lower than to the general
5 public; not to exceed \$65,000 for performing the duties
6 imposed upon the Commission by the Act of July 19,
7 1940 (54 Stat. 767) ; reimbursement of the General Services
8 Administration for security guard services for protection of
9 confidential files; not to exceed \$443,000 for expenses
10 of travel; and not to exceed \$5,000 for actuarial services
11 by contract, without regard to section 3709, Revised
12 Statutes, as amended; \$15,575,600: *Provided*, That no
13 details from any executive department or independent estab-
14 lishment in the District of Columbia or elsewhere to the Com-
15 mission's central office in Washington or to any of its
16 regional offices shall be made during the current fiscal year,
17 but this shall not affect the making of details for service as
18 members of the boards of examiners outside the immediate
19 offices of the Commission in Washington or of the regional
20 directors, nor shall it affect the making of details of persons
21 qualified to serve as expert examiners on special subjects:
22 *Provided further*, That the Civil Service Commission shall
23 have power in case of emergency to transfer or detail any
24 of its employees to or from its office or field force.

25 No part of the appropriations herein made to the Civil

1 Service Commission shall be available for the salaries and
2 expenses of the Legal Examining Unit in the Examining
3 and Personnel Utilization Division of the Commission,
4 established pursuant to Executive Order 9358 of July
5 1, 1943, or for the compensation or expenses of any
6 member of a board of examiners (1) who has not made
7 affidavit that he has not appeared in any agency proceeding
8 within the preceding two years, and will not thereafter while
9 a board member appear in any agency proceeding, as a
10 party, or in behalf of a party to the proceeding, before an
11 agency in which an applicant is employed who has been
12 rated or will be rated by such member; or (2) who, after
13 making such affidavit, has rated an applicant who at the
14 time of the rating is employed by an agency before which
15 the board member has appeared as a party, or in behalf of a
16 party, within the preceding two years: *Provided*, That the
17 definitions of "agency", "agency proceeding", and "party"
18 in section 2 of the Administrative Procedure Act shall apply
19 to these terms as used herein.

20 No part of appropriations herein shall be used to pay
21 the compensation of officers and employees of the Civil
22 Service Commission who allocate or reallocate supervisory
23 positions in the classified civil service solely on the size of
24 the group, section, bureau, or other organization unit, or
25 on the number of subordinates supervised. References

1 to size of the group, section, bureau, or other organization
2 unit or the number of subordinates supervised may be given
3 effect only to the extent warranted by the workload of
4 such organization unit and then only in combination with
5 other factors, such as the kind, difficulty, and complexity of
6 work supervised, the degree and scope of responsibility
7 delegated to the supervisor, and the kind, degree, and value
8 of the supervision actually exercised.

9 Investigations of United States citizens for employment
10 by international organizations: For expenses necessary to
11 carry out the provisions of Executive Order No. 10422 of
12 January 9, 1953, as amended, prescribing procedures for
13 making available to the Secretary General of the United
14 Nations, and the executive heads of other international
15 organizations, certain information concerning United States
16 citizens employed, or being considered for employment by
17 such organizations, \$400,000: *Provided*, That this appro-
18 priation shall be available for advances or reimbursements
19 to the applicable appropriations or funds of the Civil Service
20 Commission and the Federal Bureau of Investigation for
21 expenses incurred by such agencies under said Executive
22 order: *Provided further*, That members of the International
23 Organizations Employees Loyalty Board may be paid actual
24 transportation expenses, and per diem in lieu of subsistence

1 authorized by the Travel Expense Act of 1949 while travel-
2 ing on official business away from their homes or regular
3 places of business, including periods while en route to and
4 from and at the place where their services are to be per-
5 formed: *Provided further*, That nothing in sections 281 or
6 283 of title 18, United States Code, or in section 190 of
7 the Revised Statutes (5 U. S. C. 99) shall be deemed to
8 apply to any person because of appointment for part-time
9 or intermittent service as a member of the International
10 Organizations Employees Loyalty Board in the Civil Service
11 Commission as established by Executive Order 10422,
12 dated January 9, 1953, as amended.

13 Annuities, Panama Canal construction employees and
14 Lighthouse Service widows: For payment of annuities
15 authorized by the Act of May 29, 1944, as amended (48
16 U. S. C. 1373a), and the Act of August 19, 1950 (64 Stat.
17 465), \$2,354,000.

18 Payment to the civil-service retirement and disability
19 fund for increases in annuities provided by the Act of July
20 16, 1952: For payment to the "civil-service retirement and
21 disability fund" for the cost, as heretofore determined by the
22 Civil Service Commission, of increases in annuities provided
23 by the Act of July 16, 1952 (66 Stat. 723), for the fiscal
24 year 1955, \$29,623,000.

1 FEDERAL COMMUNICATIONS COMMISSION

2 Salaries and expenses: For necessary expenses in per-
3 forming the duties of the Commission as authorized by law,
4 including newspapers (not to exceed \$175), land and
5 structures (not to exceed \$4,000), special counsel fees,
6 improvement and care of grounds and repairs to buildings
7 (not to exceed \$16,000), services as authorized by section
8 15 of the Act of August 2, 1946 (5 U. S. C. 55a), purchase
9 of not to exceed nine passenger motor vehicles, for replace-
10 ment only, in the event adequate vehicles cannot be obtained
11 by transfer from other departments or agencies, and not to
12 exceed \$90,000 for expenses of travel, \$6,544,400, together
13 with not to exceed \$150,000 of the unobligated balance of
14 funds appropriated for this purpose in the "First Independent
15 Offices Appropriation Act, 1954".

16 FEDERAL POWER COMMISSION

17 Salaries and expenses: For expenses necessary for the
18 work of the Commission, as authorized by law, including
19 not to exceed \$220,000 for expenses of travel; purchase
20 (one for replacement only) and hire of passenger motor
21 vehicles; and not to exceed \$500 for newspapers; \$4,150,-
22 000, of which not to exceed \$10,000 shall be avail-
23 able for special counsel and services as authorized by section
24 15 of the Act of August 2, 1946 (5 U. S. C. 55a), but at
25 rates not exceeding \$50 per diem for individuals.

FEDERAL TRADE COMMISSION

Salaries and expenses: For necessary expenses of the Federal Trade Commission, including not to exceed \$500 for newspapers, services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), and not to exceed \$140,000 for expenses of travel, \$4,030,700: *Provided*, That no part of the foregoing appropriation shall be expended upon any investigation hereafter provided by concurrent resolution of the Congress until funds are appropriated subsequently to the enactment of such resolution to finance the cost of such investigation: *Provided further*, That no part of the foregoing appropriation shall be available for a statistical analysis of the consumer's dollar.

GENERAL ACCOUNTING OFFICE

Salaries and expenses: For necessary expenses of the General Accounting Office, including newspapers and periodicals (not exceeding \$500), and services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), \$31,981,000: *Provided*, That the fourth paragraph under the heading "General Accounting Office" in Public Law 137, approved August 31, 1951 (65 Stat. 274), as amended by Public Law 455, approved July 5, 1952 (66 Stat. 399), is further amended by changing "four positions in grade GS-18" to "five positions in grade GS-18", and "thirteen positions in grade GS-16" to "twelve positions in grade GS-16".

1 GENERAL SERVICES ADMINISTRATION

2 10 Operating expenses, Public Buildings Service: For
3 necessary expenses of real property management and related
4 activities as provided by law; repair and improvement of
5 public buildings and grounds (including furnishings and
6 equipment) under the control of the General Services Admin-
7 istration; rental of buildings in the District of Columbia
8 restoration of leased premises; moving Government agencies
9 in connection with the assignment, allocation, and transfer of
10 building space; demolition of buildings; acquisition by pur-
11 chase or otherwise and disposal by sale or otherwise of real
12 estate and interests therein; and not to exceed \$182,000 for
13 expenses of travel; \$94,460,000: *Provided*, That the fore-
14 going appropriation shall not be available to effect the moving
15 of Government agencies from the District of Columbia into
16 buildings acquired to accomplish the dispersal of depart-
17 mental functions of the executive establishment into areas
18 outside of but accessible to the District of Columbia.

19 Emergency operating expenses: For necessary emer-
20 gency expenses of the General Services Administration
21 not otherwise provided for, for operation, maintenance,
22 protection, repair, alterations, and improvements of public
23 buildings and grounds (including furnishings and equip-
24 ment) to the extent that such buildings and grounds are
25 under the control of the General Services Administration

1 for such purposes as are provided for in Public Law 152,
2 Eighty-first Congress, as amended; rental of buildings or
3 parts thereof in the District of Columbia and elsewhere,
4 including repairs, alterations, and improvements necessary
5 for proper use by the Government, without regard to section
6 322 of the Act of June 30, 1932, as amended (40 U. S. C.
7 278a) ; restoration of leased premises; moving Government
8 agencies in connection with the assignment, allocation, and
9 transfer of building space; and not to exceed \$24,300 for
10 expenses of travel; \$15,647,000: *Provided*, That of this
11 amount, such sums as may be determined by the General
12 Services Administrator to be necessary may be paid into
13 other appropriations of the General Services Administration
14 only for purposes of accounting: *Provided further*, That no
15 part of this appropriation shall be available to effect the
16 moving of Government agencies from the District of Columbia
17 to accomplish the dispersal of departmental functions.

18 Repair, improvement, and equipment of federally owned
19 buildings outside the District of Columbia: For expenses
20 necessary for the repair, alteration, preservation, renovation,
21 improvement, equipment, and demolition of federally owned
22 buildings outside the District of Columbia, not otherwise pro-
23 vided for, including grounds, approaches and appurtenances,
24 wharves and piers, together with the necessary dredging
25 adjacent thereto; acquisition of land as authorized by title

1 III of the Act of June 16, 1949 (40 U. S. C. 297) ;
2 not to exceed \$100,000 for expenses of travel; and care and
3 safeguarding of sites acquired for Federal buildings; \$12,-
4 000,000, to remain available until expended.

5 Operating expenses, Federal Supply Service: For neces-
6 sary expenses of personal property management and related
7 activities as provided by law; including not to exceed \$300
8 for the purchase of newspapers and periodicals; and not to
9 exceed \$40,600 for expenses of travel; \$2,600,000.

10 Expenses, general supply fund: For expenses necessary
11 for operation of the general supply fund (except those au-
12 thorized by law to be charged to said fund) , including con-
13 tractual services incident to receiving, handling, and shipping
14 warehouse items; not to exceed \$250 for purchase of news-
15 papers and periodicals; and not to exceed \$93,100 for
16 expenses of travel; \$11,066,800: *Provided*, That during the
17 current fiscal year the general supply fund shall be available
18 for the purchase of not to exceed twelve passenger motor
19 vehicles for replacement only: *Provided further*, That funds
20 available to the General Services Administration for the
21 current fiscal year shall be available for the hire of passenger
22 motor vehicles.

23 Operating expenses, National Archives and Records
24 Service: For necessary expenses in connection with Federal
25 records management and related activities as provided by

1 law; and not to exceed \$30,750 for expenses of travel;
2 \$5,000,000, of which \$100,000 shall remain available until
3 expended for nitrate film conversion.

4 Administrative operations: For necessary expenses of
5 executive direction for activities under the control of the
6 General Services Administration, of administrative opera-
7 tions for activities under regular appropriations for "Oper-
8 ating expenses", and of processing and determining rene-
9 gotiation rebates; including not to exceed \$63,600 for
10 expenses of travel; and not to exceed \$250 for purchase
11 of newspapers and periodicals; \$3,789,500.

12 Refunds under Renegotiation Act: For refunds under
13 section 201 (f) of the Renegotiation Act of 1951, the
14 unobligated balance of the appropriations granted under
15 this head for the fiscal years 1952, 1953, and 1954, shall re-
16 main available until June 30, 1956: *Provided*, That to the
17 extent refunds are made from this appropriation of excessive
18 profits collected under the Renegotiation Act and retained by
19 the Reconstruction Finance Corporation, or its successors, or
20 any of its subsidiaries, the Reconstruction Finance Corpora-
21 tion, or its successors, or the appropriate subsidiary shall re-
22 imburse this appropriation.

23 Strategic and critical materials: Funds available for this
24 purpose during the current fiscal year shall be available for
25 personal services (not to exceed \$7,000,000), services as

1 authorized by section 15 of the Act of August 2, 1946
2 (5 U. S. C. 55a), and not to exceed \$139,000 of such funds
3 shall be available for expenses of travel: *Provided*, That any
4 funds received as proceeds from sale or other disposition of
5 materials on account of the rotation of stocks under said Act
6 shall be deposited to the credit, and be available for expendi-
7 ture for the purposes, of this appropriation: *Provided further*,
8 That during the current fiscal year, there shall be no limita-
9 tion on the value of surplus strategic and critical materials
10 which, in accordance with subsection 6 (a) of the Act of
11 July 23, 1946 (50 U. S. C. 98e (a)), may be transferred to
12 stockpiles established in accordance with said Act: *Provided*
13 *further*, That no part of funds available shall be used for
14 construction of warehouses or tank storage facilities.

15 Strategic and critical materials (liquidation of contract
16 authorization): For liquidation of obligations incurred pur-
17 suant to authority heretofore granted under this head, to
18 enter into contracts for the purpose of the Strategic and
19 Critical Materials Stock Piling Act of July 23, 1946, not
20 to exceed \$27,600,000 may be expended from funds pre-
21 viously appropriated under the title "Strategic and critical
22 materials": *Provided*, That this amount may be disbursed
23 through the appropriation "Strategic and critical materials"
24 but shall be accounted for separately therein.

25 Hospital facilities in the District of Columbia (liquida-

tion of contract authorization) : For payment of obligations incurred pursuant to authority provided under the head “Hospital Center, District of Columbia”, in the Independent Offices Appropriation Act, 1949, to enter into contracts for construction, \$4,500,000, to remain available until expended: *Provided*, That this amount may be disbursed through the appropriation “Hospital facilities in the District of Columbia”, but shall be accounted for separately therein.

The appropriate foregoing appropriation to the General Services Administration shall be credited with (1) advances or reimbursements for salaries and administrative expenses chargeable against other appropriations of the General Services Administration, and such salaries and expenses may be paid from such foregoing appropriation; (2) cost of maintenance, upkeep, and repair included as part of rentals received from Government corporations pursuant to law (40 U. S. C. 129) ; (3) reimbursements for services performed in respect to bonds and other obligations under the jurisdiction of the General Services Administration, issued by public authorities, States, or other public bodies, and such services in respect to such bonds or obligations as the Administrator deems necessary and in the public interest may, upon the request and at the expense of the issuing agencies, be provided from the appropriate foregoing appropriation; and (4) appropriations

1 or funds available to other agencies, and transferred to the
2 General Services Administration, in connection with property
3 transferred to the General Services Administration pursuant
4 to the Act of July 2, 1948 (50 U. S. C. 451ff), and such
5 appropriations or funds may, with the approval of the Bureau
6 of the Budget, be so transferred.

7 During the current fiscal year, no part of any money
8 appropriated in this or any other Act shall be used during
9 any quarter of such fiscal year to purchase within the con-
10 tinental limits of the United States typewriting machines
11 (except bookkeeping and billing machines) at a price which
12 exceeds 90 per centum of the lowest net cash price, plus
13 applicable Federal excise taxes, accorded the most-favored
14 customer (other than the Government, the American
15 National Red Cross, and the purchasers of typewriting ma-
16 chines for educational purposes only) of the manufacturer
17 of such machines during the six-month period immediately
18 preceding such quarter: *Provided*, That the purchase, uti-
19 lization, and disposal of typewriting machines shall be per-
20 formed in accordance with the provisions of the Federal
21 Property and Administrative Services Act of 1949, as
22 amended.

1 HOUSING AND HOME FINANCE AGENCY

2 OFFICE OF THE ADMINISTRATOR

3 Salaries and expenses: For necessary expenses of the
4 Office of the Administrator, including rent in the District of
5 Columbia; services as authorized by section 15 of the Act
6 of August 2, 1946 (5 U. S. C. 55a); not to exceed
7 \$169,325 for expenses of travel; expenses of attendance at
8 meetings of organizations concerned with the work of the
9 agency; and transportation expenses and not to exceed \$25
10 per diem in lieu of subsistence, as authorized by section 5
11 of the Act of August 2, 1946 (5 U. S. C. 73b-2), for
12 persons serving without compensation as members of any
13 advisory committee established pursuant to title VI of the
14 Housing Act of 1949; \$2,668,500: *Provided*, That neces-
15 sary expenses of inspections and of providing representatives
16 at the site of projects being undertaken by local public agen-
17 cies pursuant to title I of the Housing Act of 1949 and of
18 projects financed through loans to educational institutions
19 authorized by title IV of the Housing Act of 1950, shall
20 be compensated by such agencies or institutions by the pay-
21 ment of fixed fees which in the aggregate will cover the costs
22 of rendering such services, and expenses for such purpose

1 shall be considered nonadministrative; and for the purpose
2 of providing such inspections, the Administrator may utilize
3 any agency and such agency may accept reimbursement or
4 payment for such services from such institutions or the Ad-
5 ministrator, and shall credit such amounts to the appropria-
6 tions or funds against which such charges have been made,
7 but such nonadministrative expenses shall not exceed
8 \$500,000.

9 Capital grants for slum clearance and urban redevelop-
10 ment: For an additional amount for payment of capital grants
11 as authorized by title I of the Housing Act of 1949, as
12 amended (42 U. S. C. 1453, 1456), \$39,000,000, to remain
13 available until expended: *Provided*, That no funds in this
14 Act shall be available for payment of capital grants under any
15 contract involving the development or redevelopment of a
16 project for predominantly residential uses where incidental
17 uses are not restricted to those normally essential for resi-
18 dential uses: *Provided further*, That before approving
19 any local slum clearance program under title I of the
20 Housing Act of 1949, the Administrator shall give considera-
21 tion to the efforts of the locality to enforce local codes and
22 regulations relating to adequate standards of health, sanita-
23 tion, and safety for dwellings and to the feasibility of achiev-
24 ing slum clearance objectives through rehabilitation of
25 existing dwellings and areas: *Provided further*, That the

1 authority under title I of the National Housing Act shall be
2 used to the utmost in connection with slum rehabilitation
3 needs.

4 PUBLIC HOUSING ADMINISTRATION

5 Administrative expenses: For administrative expenses
6 of the Public Housing Administration, \$6,950,000, to be
7 merged with and expended under the authorization for such
8 expenses contained in title II of this Act.

9 Annual contributions: For the payment of annual con-
10 tributions to public housing agencies in accordance with
11 section 10 of the United States Housing Act of 1937, as
12 amended (42 U. S. C. 1410), \$63,950,000.

13 REDUCTION IN APPROPRIATIONS

14 Defense housing: The sum of \$4,500,000 of funds
15 heretofore appropriated under this head is hereby rescinded,
16 and such amount shall be covered into the Treasury promptly
17 upon enactment of this Act: *Provided*, That the amount
18 hereby rescinded may be reduced by an amount determined
19 by the Administrator to be required as a reserve for over-
20 runs and contingencies in connection with projects hereto-
21 fore assigned for construction pursuant to Public Law 139
22 (Eighty-second Congress).

23 INDIAN CLAIMS COMMISSION

24 Salaries and expenses: For expenses necessary to carry
25 out the purposes of Act of August 13, 1946 (25 U. S. C.

1 70), creating an Indian Claims Commission, \$117,000, of
2 which not to exceed \$3,560 shall be available for expenses
3 of travel.

4 INTERSTATE COMMERCE COMMISSION

5 General expenses: For necessary expenses of the Inter-
6 state Commerce Commission not otherwise provided for, in-
7 cluding not to exceed \$5,000 for employment of special
8 counsel; services as authorized by section 15 of the Act
9 of August 2, 1946 (5 U. S. C. 55a), at rates not to ex-
10 ceed \$50 per diem for individuals; newspapers (not to ex-
11 ceed \$200); purchase of not to exceed twenty passenger
12 motor vehicles for replacement only; and not to exceed
13 \$260,000 for expenses of travel; \$9,816,000, of which
14 \$100,000 shall be available for valuations of pipelines and
15 \$1,100,000 shall be available for the Section of Complaints,
16 Bureau of Motor Carriers: *Provided*, That Joint Board mem-
17 bers and cooperating State commissioners may use Govern-
18 ment transportation requests when traveling in connection
19 with their duties as such.

20 Defense transport activities: For expenses necessary to
21 enable the Commissioner who is responsible for the super-
22 vision of the Bureau of Service to carry out functions dele-
23 gated to him under the Defense Production Act of 1950, as
24 amended, including expenses of attendance at meetings con-
25 cerned with the purposes of this appropriation, \$170,000.

1 Railroad safety and locomotive inspection: For expenses
2 necessary in the performance of functions relating to railroad
3 inspection and safety, including not to exceed \$290,000 for
4 expenses of travel, \$1,684,000.

5 INTERSTATE COMMISSION ON THE POTOMAC
6 RIVER BASIN

7 Contribution to Interstate Commission on the Potomac
8 River Basin: To enable the Secretary of the Treasury to
9 pay in advance to the Interstate Commission on the Po-
10 tomac River Basin the Federal contribution toward the ex-
11 penses of the Commission during the current fiscal year in
12 the administration of its business in the conservancy district
13 established pursuant to the Act of July 11, 1940 (54 Stat.
14 748), \$5,000.

15 NATIONAL ADVISORY COMMITTEE FOR
16 AERONAUTICS

17 Salaries and expenses: For necessary expenses of the
18 Committee, including one Director at not to exceed \$17,500
19 per annum so long as the position is held by the present
20 incumbent; contracts for the making of special investigations
21 and reports and for engineering, drafting and computing
22 services; equipment; not to exceed \$310,000 for expenses
23 of travel; maintenance and operation of aircraft; purchase
24 of two passenger motor vehicles for replacement only; not
25 to exceed \$100 for newspapers and periodicals; and services

1 as authorized by section 15 of the Act of August 2, 1946
2 (5 U. S. C. 55a) ; \$49,000,000, together with not to exceed
3 \$1,000,000 of the unobligated balance of funds appropriated
4 for this purpose in the "First Independent Offices Appro-
5 priation Act, 1954".

6 Construction and equipment: For construction and
7 equipment at laboratories and research stations of the Com-
8 mittee, \$4,349,000, to remain available until expended.

9 NATIONAL CAPITAL HOUSING AUTHORITY

10 Maintenance and operation of properties: For the main-
11 tenance and operation of properties under title I of the Dis-
12 trict of Columbia Alley Dwelling Authority Act, \$43,000:
13 *Provided*, That all receipts derived from sales, leases, or
14 other sources shall be covered into the Treasury of the United
15 States monthly: *Provided further*, That so long as funds are
16 available from appropriations for the foregoing purposes, the
17 provisions of section 507 of the Housing Act of 1950 (Public
18 Law 475, Eighty-first Congress), shall not be effective.

19 NATIONAL CAPITAL PLANNING COMMISSION

20 Salaries and expenses: For necessary expenses, as
21 authorized by the National Capital Planning Act of 1952
22 (66 Stat. 781), including services as authorized by section
23 15 of the Act of August 2, 1946 (5 U. S. C. 55a) ; not to
24 exceed \$100 for the purchase of newspapers and periodicals;
25 not to exceed \$6,000 for expenses of travel; payment in

1 advance for membership in societies whose publications
2 or services are available to members only or to members
3 at a price lower than to the general public; purchase
4 of one passenger motor vehicle for replacement only; and
5 transportation and not to exceed \$15 per diem in lieu of
6 subsistence, as authorized by section 5 of the Act of August
7 2, 1946 (5 U. S. C. 73b-2), for members of the Commis-
8 sion serving without compensation; \$143,000.

9 Land acquisition, National Capital park, parkway, and
10 playground system: Under authority of the Act of May 29,
11 1930 (46 Stat. 482), as amended, for necessary expenses for
12 the National Capital Planning Commission for acquisition of
13 land for the park, parkway, and playground system of the Na-
14 tional Capital, to remain available until expended, \$545,000,
15 of which (a) \$135,000 shall be available for the purposes of
16 section 1 (a) of said Act of May 29, 1930, (b) \$126,000 shall be
17 available for the purposes of section 1 (b) thereof, and (c)
18 \$284,000 shall be available for the purposes of section 4
19 thereof: *Provided*, That not exceeding \$26,450 of the funds
20 available for land acquisition purposes shall be used during
21 the current fiscal year for necessary expenses of the Com-
22 mission (other than payments for land) in connection with
23 land acquisition.

1 NATIONAL SCIENCE FOUNDATION

2 Salaries and expenses: For expenses necessary to carry
3 out the purposes of the National Science Foundation Act
4 of 1950, as amended (42 U. S. C. 1861-1875), including
5 award of graduate fellowships; services as authorized by
6 section 15 of the Act of August 2, 1946 (5 U. S. C. 55a),
7 at rates not to exceed \$50 per diem for individuals; hire
8 of passenger motor vehicles; not to exceed \$89,500 for
9 expenses of travel; not to exceed \$150 for the purchase
10 of newspapers and periodicals; and reimbursement of the
11 General Services Administration for security guard services;
12 \$11,000,000, to remain available until expended.

13 RENEGOTIATION BOARD

14 Salaries and expenses: For necessary expenses of the
15 Renegotiation Board, including expenses of attendance at
16 meetings concerned with the purposes of this appropriation;
17 hire of passenger motor vehicles; not to exceed \$108,-
18 000 for expenses of travel; and services as authorized
19 by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a),
20 at rates not to exceed \$50 per diem for individuals;
21 \$4,500,000.

22 SECURITIES AND EXCHANGE COMMISSION

23 Salaries and expenses: For necessary expenses, includ-
24 ing not to exceed \$500 for the purchase of newspapers; not
25 to exceed \$125,000 for expenses of travel; and services as

1 authorized by section 15 of the Act of August 2, 1946
2 (5 U. S. C. 55a) ; \$4,700,000.

3 SELECTIVE SERVICE SYSTEM

4 Salaries and expenses: For expenses necessary for the
5 operation and maintenance of the Selective Service System,
6 as authorized by title I of the Universal Military Training
7 and Service Act (62 Stat. 604), as amended, including
8 services as authorized by section 15 of the Act of August 2,
9 1946 (5 U. S. C. 55a) ; not to exceed \$250 for the purchase
10 of newspapers and periodicals; not to exceed \$75,000 for ex-
11 penses of travel, National Administration, Planning, Training,
12 and Records Management; not to exceed \$190,000 for ex-
13 penses of travel, State Administration, Planning, Training,
14 and Records Servicing; \$92,500 for the National Selective
15 Service Appeal Board, of which not to exceed \$3,875 shall
16 be available for expenses of travel; and \$205,000 for the
17 National Advisory Committee on the Selection of Doctors,
18 Dentists, and Allied Specialists, of which not to exceed
19 \$30,000 shall be available for expenses of travel; \$29,-
20 003,063: *Provided*, That during the current fiscal year, the
21 President may exempt this appropriation from the provisions
22 of subsection (c) of section 3679 of the Revised Statutes,
23 as amended, whenever he deems such action to be necessary
24 in the interest of national defense.

25 Appropriations for the Selective Service System may

1 be used for the destruction of records accumulated under the
2 Selective Training and Service Act of 1940, as amended,
3 which are hereby authorized to be destroyed by the Director
4 of Selective Service after compliance with the procedures
5 for the destruction of records prescribed pursuant to the Rec-
6 ords Disposal Act of 1943, as amended (44 U. S. C. 366-
7 380) : *Provided*, That no records may be transferred to any
8 other agency without the approval of the Director of Selec-
9 tive Service.

10 SMALL BUSINESS ADMINISTRATION

11 Salaries and expenses: For necessary expenses, not
12 otherwise provided for, of the Small Business Administration,
13 including newspapers and periodicals (not exceeding \$500),
14 expenses of attendance at meetings concerned with the pur-
15 poses of this appropriation and hire of passenger motor
16 vehicles, \$2,025,000, together with not to exceed \$100,000
17 of the unobligated balance of funds appropriated for this
18 purpose in the Supplemental Appropriation Act, 1954; and
19 in addition, not to exceed \$1,650,000 may be transferred
20 to this appropriation from the Revolving Fund, Small Busi-
21 ness Administration, for administrative expenses in connec-
22 tion with activities financed under said Fund.

23 REVOLVING FUND, SMALL DEFENSE PLANTS

24 ADMINISTRATION

25 The Revolving Fund authorized by paragraph (2) of

1 subsection (a) of section 714 of the Defense Production
2 Act of 1950, as amended, shall remain available during the
3 fiscal year 1955 for payment of obligations and direct costs
4 under contracts entered into during the fiscal year 1953.

5 SMITHSONIAN INSTITUTION

6 Salaries and expenses, Smithsonian Institution: For all
7 necessary expenses for the preservation, exhibition, and
8 increase of collections from the surveying and exploring
9 expeditions of the Government and from other sources; for
10 the system of international exchanges between the United
11 States and foreign countries; for anthropological researches
12 among the American Indians and the natives of lands under
13 the jurisdiction or protection of the United States, independ-
14 ently or in cooperation with State, educational, and scientific
15 organizations in the United States, and the excavation and
16 preservation of archeological remains; for maintenance of
17 the Astrophysical Observatory and making necessary obser-
18 vations in high altitudes; for the administration of the
19 National Collection of Fine Arts; for the administration,
20 construction, and maintenance of laboratory and other
21 facilities on Barro Colorado Island, Canal Zone, under the
22 provisions of the Act of July 2, 1940, as amended by the
23 provisions of Reorganization Plan Numbered 3 of 1946; for
24 the maintenance and administration of a national air museum
25 as authorized by the Act of August 12, 1946 (20 U. S. C.

1 77) ; including not to exceed \$35,000 for services as author-
2 ized by section 15 of the Act of August 2, 1946 (5 U. S. C.
3 55a) ; not to exceed \$15,225 for expenses of travel; pur-
4 chase, repair, and cleaning of uniforms for guards and
5 elevator conductors; repairs and alterations of buildings
6 and approaches; and preparation of manuscripts, drawings,
7 and illustrations for publications; \$3,000,000.

8 Salaries and expenses, National Gallery of Art: For
9 the upkeep and operation of the National Gallery of Art,
10 the protection and care of the works of art therein, and
11 administrative expenses incident thereto, as authorized by
12 the Act of March 24, 1937 (50 Stat. 51), as amended by
13 the public resolution of April 13, 1939 (Public Resolution
14 9, Seventy-sixth Congress), including services as author-
15 ized by section 15 of the Act of August 2, 1946 (5 U. S. C.
16 55a) ; payment in advance when authorized by the treas-
17 urer of the Gallery for membership in library, museum, and
18 art associations or societies whose publications or services
19 are available to members only, or to members at a price
20 lower than to the general public; purchase, repair, and
21 cleaning of uniforms for guards and elevator operators;
22 purchase or rental of devices and services for protecting
23 buildings and contents thereof, and maintenance and repair
24 of buildings, approaches, and grounds; purchase of one pas-
25 senger motor vehicle, for replacement only; not to exceed

1 \$1,800 for expenses of travel; and not to exceed \$15,000
2 for restoration and repair of works of art for the National
3 Gallery of Art by contracts made, without advertising, with
4 individuals, firms, or organizations at such rates or prices
5 and under such terms and conditions as the Gallery may
6 deem proper; \$1,300,000.

7 SUBVERSIVE ACTIVITIES CONTROL BOARD

8 Salaries and expenses: For necessary expenses of the
9 Subversive Activities Control Board, including services as
10 authorized by section 15 of the Act of August 2, 1946 (5
11 U. S. C. 55a), not to exceed \$12,500 for expenses of travel,
12 and not to exceed \$100 for the purchase of newspapers and
13 periodicals, \$150,000, together with not to exceed \$81,000
14 of the unobligated balance of funds appropriated for this
15 purpose in the "First Independent Offices Appropriation
16 Act, 1954".

17 TARIFF COMMISSION

18 Salaries and expenses: For necessary expenses of the
19 Tariff Commission, including subscriptions to newspapers
20 (not to exceed \$200), not to exceed \$13,500 for
21 expenses of travel, and contract stenographic reporting
22 services as authorized by section 15 of the Act of August
23 2, 1946 (5 U. S. C. 55a), \$1,250,000: *Provided*, That
24 no part of this appropriation shall be used to pay the salary
25 of any member of the Tariff Commission who shall here-

1 after participate in any proceedings under sections 336,
2 337, and 338 of the Tariff Act of 1930, wherein he or any
3 member of his family has any special, direct, and pecuniary
4 interest, or in which he has acted as attorney or special
5 representative: *Provided further*, That no part of the fore-
6 going appropriation shall be used for making any special
7 study, investigation or report at the request of any other
8 agency of the executive branch of the government unless
9 reimbursement is made for the cost thereof.

10 TENNESSEE VALLEY AUTHORITY

11 For the purpose of carrying out the provisions of the
12 Tennessee Valley Authority Act of 1933, as amended (16
13 U. S. C., ch. 12A), including purchase (not to exceed one)
14 and hire, maintenance, and operation of aircraft, and pur-
15 chase (not to exceed one hundred for replacement
16 only) and hire of passenger motor vehicles, \$103,582,000,
17 to remain available until expended, and to be available for
18 the payment of obligations chargeable against prior appro-
19 priations: *Provided*, That no funds appropriated for the
20 Tennessee Valley Authority by this paragraph shall be used
21 for the maintenance or operation of any aircraft for passenger
22 service that is not specifically confined to the active opera-
23 tion of the official business of the Tennessee Valley Authority
24 by officers or employees of such Authority, and not to exceed
25 \$673,000 (exclusive of travel for work in connection with

1 the construction of transmission lines, dams, and steam
2 plants) of funds available to the Tennessee Valley Au-
3 thority shall be used for expenses of travel: *Provided*
4 *further*, That no part of funds available for expenditure by
5 this agency shall be used, directly or indirectly, to acquire
6 a building for use as an administrative office of the Tennessee
7 Valley Authority unless and until the Director of the Bu-
8 reau of the Budget, following a study of the advisability of
9 the proposed acquisition, shall advise the Committees on
10 Appropriations of the Senate and the House of Representa-
11 tives and the Tennessee Valley Authority that the acquisition
12 has his approval: *Provided further*, That there shall be avail-
13 able for resource development activities pursuant to the
14 Tennessee Valley Authority Act of 1933, as amended, not
15 to exceed \$600,000 to be derived from proceeds of operations
16 of the Tennessee Valley Authority.

17 THE TAX COURT OF THE UNITED STATES

18 Salaries and expenses: For necessary expenses, includ-
19 ing contract stenographic reporting services and not to
20 exceed \$45,000 for travel expenses, \$1,000,000: *Provided*,
21 That travel expenses of the judges shall be paid upon the
22 written certificate of the judge.

23 VETERANS ADMINISTRATION

24 General operating expenses: For necessary operating
25 expenses of the Veterans Administration, not otherwise pro-

1 vided for, including expenses incidental to securing employ-
2 ment for war veterans; purchase of fifteen passenger motor
3 vehicles for replacement only; not to exceed \$6,000 for
4 newspapers and periodicals; not to exceed \$2,690,000 for
5 expenses of travel of employees; and not to exceed \$43,700
6 for preparation, shipment, installation, and display of ex-
7 hibits, photographic displays, moving pictures, and other
8 visual educational information and descriptive material,
9 including purchase or rental of equipment; \$163,922,300:
10 *Provided*, That no part of this appropriation shall be used to
11 pay in excess of fifteen persons engaged in public relations
12 work: *Provided further*, That no part of any appropriation
13 shall be used to pay educational institutions for reports and
14 certifications of attendance at such institutions an allowance
15 at a rate in excess of \$1 per month for each eligible veteran
16 enrolled in and attending such institution.

17 Medical administration and miscellaneous operating
18 expenses: For expenses necessary for administration of the
19 medical, hospital, domiciliary, special service, construction
20 and supply, research, and employee education and training
21 activities; expenses necessary for carrying out programs of
22 medical research and of education and training of employees,
23 as authorized by law; and not to exceed \$834,388 for ex-
24 penses of travel of employees paid from this appropriation;
25 \$14,654,000.

1 Inpatient care: For expenses necessary for the main-
2 tenance and operation of hospitals and domiciliary facilities
3 and for the care and treatment of beneficiaries of the Veterans
4 Administration in facilities not under the jurisdiction of the
5 Veterans Administration as authorized by law, including
6 the furnishing of recreational articles and facilities; main-
7 tenance and operation of farms; repairing, altering, improv-
8 ing or providing facilities in the several hospitals and homes
9 under the jurisdiction of the Veterans Administration, not
10 otherwise provided for, either by contract, or by the hire
11 of temporary employees and purchase of materials; purchase
12 of fifty passenger motor vehicles for replacement only; not
13 to exceed \$315,000 for expenses of travel of employees;
14 and aid to State or Territorial homes in conformity with the
15 Act approved August 27, 1888, as amended (24 U. S. C.
16 134) for the support of veterans eligible for admission to
17 Veterans Administration facilities for hospital or domiciliary
18 care; \$598,127,000, including the sum of \$7,134,500 for
19 reimbursable services performed for other Government agen-
20 cies and individuals: *Provided*, That allotments and transfers
21 may be made from this appropriation to the Department of
22 Health, Education, and Welfare (Public Health Service),
23 the Army, Navy, Air Force, and Interior Departments, for
24 disbursement by them under the various headings of their
25 applicable appropriations, of such amounts as are necessary

1 for the care and treatment of beneficiaries of the Veterans
2 Administration: *Provided further*, That the foregoing appro-
3 priation is predicated on furnishing inpatient care and treat-
4 ment to an average of 127,000 beneficiaries during the fiscal
5 year 1955, excluding members in State or Territorial homes,
6 and if a lesser number is experienced such appropriation
7 shall be expended only in proportion to the average number
8 of beneficiaries furnished such care and treatment.

9 Outpatient care: For expenses necessary for furnishing
10 outpatient care to beneficiaries of the Veterans Administra-
11 tion, as authorized by law, including not to exceed \$178,000
12 for expenses of travel of employees; \$76,744,000.

13 Maintenance and operation of supply depots: For ex-
14 penses necessary for maintenance and operation of supply
15 depots, including not to exceed \$4,400 for expenses of travel
16 of employees, and purchase of two passenger motor vehicles
17 for replacement only, \$1,654,000.

18 Compensation and pensions: For the payment of com-
19 pensation, pensions, gratuities, and allowances (including
20 burial awards authorized by Veterans Administration Regu-
21 lation Numbered 9 (a), as amended, and subsistence allow-
22 ances authorized by part VII of Veterans Regulation 1a, as
23 amended), authorized under any Act of Congress, or regu-
24 lation of the President based thereon, including emergency
25 officers' retirement pay and annuities, the administration

1 of which is now or may hereafter be placed in the Veterans
2 Administration, and for the payment of adjusted-service
3 credits as provided in sections 401 and 601 of the Act of May
4 19, 1924, as amended (38 U. S. C. 631 and 661),
5 \$2,435,000,000, to be immediately available and to remain
6 available until expended.

7 Readjustment benefits: For the payment of benefits to
8 or on behalf of veterans as authorized by titles II, III, and
9 V, of the Servicemen's Readjustment Act of 1944, as
10 amended, and title II of the Veterans Readjustment Assist-
11 ance Act of 1952, and for supplies, equipment, and tuition
12 authorized by part VII and payments authorized by part IX
13 of Veterans Administration Regulation Numbered 1 (a), as
14 amended, \$387,000,000, together with the unexpended
15 balance as of June 30, 1954, remaining in the appropriation
16 for "Veterans miscellaneous benefits" to be immediately
17 available and to remain available until expended: *Provided*,
18 That no part of any appropriation to the Veterans Administra-
19 tion shall be available, in connection with any loan authorized
20 by title III of the Servicemen's Readjustment Act of 1944, as
21 amended (38 U. S. C. 694-694n), for payment to the
22 lender by the Administrator of Veterans Affairs, or for
23 credit on the loan, of an amount equivalent to 4 per centum
24 of the amount originally loaned, guaranteed or insured by
25 the Veterans Administration: *Provided further*, That no

1 right to any such payment shall accrue after Septem-
2 ber 1, 1953, but the foregoing proviso shall not
3 apply with respect to payments based on guarantees
4 made, or certificates of commitments issued, prior to said
5 date or commitments for loans made by the Veterans
6 Administration.

7 Military and naval insurance: For military and naval
8 insurance, \$4,932,000, to remain available until expended.

9 Hospital and domiciliary facilities: For hospital and
10 domiciliary facilities, for planning and for extending, with
11 the approval of the President, any of the facilities under the
12 jurisdiction of the Veterans Administration or for any of the
13 purposes set forth in sections 1 and 2 of the Act approved
14 March 4, 1931 (38 U. S. C. 438j-k) or in section 101 of
15 the Servicemen's Readjustment Act of 1944 (38 U. S. C.
16 693a), to remain available until expended, \$39,000,000:
17 *Provided*, That notwithstanding any other provisions of exist-
18 ing law the Veterans Administration is authorized to advance
19 not to exceed \$2,000,000 from construction funds previously
20 appropriated, to the city of Cleveland, Ohio, for the con-
21 struction or extension of necessary water facilities to the site
22 of the proposed Veterans Administration hospital, this
23 amount to be repaid by the city of Cleveland in cash or water
24 over a period of years as determined by the Veterans Admin-
25 istration and the city of Cleveland.

1 National service life insurance: For the payment of
2 benefits and for transfer to the national service life insurance
3 fund, in accordance with the National Service Life Insurance
4 Act of 1940, as amended, \$30,570,000, to remain available
5 until expended: *Provided*, That certain premiums shall be
6 credited to this appropriation as provided by the Act.

7 Servicemen's indemnities: For payment of liabilities
8 under the Servicemen's Indemnity Act of 1951, \$30,000,000,
9 to remain available until expended.

10 Grants to the Republic of the Philippines: For pay-
11 ment to the Republic of the Philippines of grants in accord-
12 ance with the Act of July 1, 1948 (50 U. S. C. App. 1991-
13 1996), for expenses incident to medical care and treatment
14 of veterans, \$1,564,000.

15 Major alterations, improvements, and repairs: For all
16 necessary expenses of major alterations, improvements, and
17 repairs to regional offices, supply depots, and hospital and
18 domiciliary facilities, \$3,400,000, to remain available until
19 expended: *Provided*, That no part of the foregoing appropri-
20 ation shall be used to commence any major alteration, im-
21 provement, or repair unless funds are available for the com-
22 pletion of such work; and no funds shall be used for such work
23 at any facility if the Veterans Administration is reasonably
24 certain that the installation will be abandoned in the near
25 future.

1 Not to exceed 5 per centum of any appropriation for the
2 current fiscal year for "Compensation and pensions", "Re-
3 adjustment benefits", "Military and naval insurance",
4 "National service life insurance", and "Servicemen's
5 indemnities", may be transferred, to any other of the men-
6 tioned appropriations, but not to exceed 10 per centum of
7 the appropriation so augmented.

8 Appropriations available to the Veterans Administration
9 for the current fiscal year for salaries and expenses shall be
10 available for services as authorized by section 15 of the Act
11 of August 2, 1946 (5 U. S. C. 55a).

12 Appropriations available to the Veterans Administra-
13 tion for the current fiscal year for "Inpatient care"
14 and "Outpatient care" shall be available for funeral,
15 burial, and other expenses incidental thereto (except
16 burial awards authorized by Veterans Administration Regu-
17 lation Numbered 9 (a), as amended), for beneficiaries
18 of the Veterans Administration receiving care under
19 such appropriations.

20 No part of the appropriations in this Act for the Veterans
21 Administration (except the appropriation for "Hospital and
22 domiciliary facilities") shall be available for the purchase of
23 any site for or toward the construction of any new hospital
24 or home.

25 No part of the foregoing appropriations shall be avail-

1 able for hospitalization or examination of any persons except
2 beneficiaries entitled under the laws bestowing such benefits
3 to veterans, unless reimbursement of cost is made to the
4 appropriation at such rates as may be fixed by the Adminis-
5 trator of Veterans Affairs.

6 REDUCTIONS IN APPROPRIATIONS

7 The appropriation heretofore granted for "Soldiers'
8 and sailors' civil relief" is hereby reduced by the sum of
9 \$500,000, and said amount shall be carried to the surplus
10 of the Treasury.

11 The appropriations heretofore granted for "Vocational
12 rehabilitation revolving fund (Act of Mar. 24, 1943)", are
13 hereby reduced by the sum of \$400,000, and said amount
14 shall be carried to the surplus of the Treasury.

15 WAR CLAIMS COMMISSION

16 PAYMENT OF CLAIMS

17 For payment of claims, as authorized by the War Claims
18 Act of 1948, as amended, from funds deposited in the
19 Treasury to the credit of the war claims fund created by
20 section 13 (a) of said Act, such sums as may be necessary,
21 to be available to the Secretary of the Treasury for payment
22 of claims under sections 4 (a), 4 (b) (2), 5 (a) through
23 (e), 6, and 7 of said Act to the payees named and in the
24 amounts stated in certifications by the War Claims Com-
25 mission and the Secretary of Labor or their duly authorized

1 representatives, which certifications shall be in lieu of any
2 vouchers which might otherwise be required: *Provided*,
3 That this appropriation shall not be available for admin-
4 istrative expenses: *Provided further*, That no claims shall be
5 allowed or paid under the provisions of said War Claims
6 Act of 1948 from any funds other than those covered into
7 the Treasury pursuant to the provisions of section 39 of the
8 Trading With the Enemy Act of October 6, 1917, as
9 amended, as provided by section 13 (a) of said War Claims
10 Act of 1948.

11 ADMINISTRATIVE EXPENSES

12 For expenses necessary to complete the activities of
13 the War Claims Commission, including services as authorized
14 by section 15 of the Act of August 2, 1946 (5 U. S. C.
15 55a) ; expenses of attendance at meetings concerned with
16 the purposes of this appropriation; not to exceed \$4,000 for
17 expenses of travel; and advances or reimbursements to other
18 Government agencies for use of their facilities and services
19 in carrying out the functions of the Commission; \$515,000,
20 to be derived only from the war claims fund created by
21 section 13 (a) of the War Claims Act of 1948 (Public
22 Law 896, approved July 3, 1948) and not to be available
23 for obligation after March 31, 1955.

1 INDEPENDENT OFFICES—GENERAL PROVISIONS

2 SEC. 102. Where appropriations in this title are expend-
3 able for travel expenses of employees and no specific limita-
4 tion has been placed thereon, the expenditures for such
5 travel expenses may not exceed the amount set forth therefor
6 in the budget estimates submitted for the appropriations:
7 *Provided*, That this section shall not apply to travel per-
8 formed by uncompensated officials of local boards and appeal
9 boards of the Selective Service System.

10 SEC. 103. Where appropriations in this title are ex-
11 pendable for the purchase of newspapers and periodicals and
12 no specific limitation has been placed thereon, the expendi-
13 tures therefor under each such appropriation may not exceed
14 the amount of \$50: *Provided*, That this limitation shall not
15 apply to the purchase of scientific, technical, trade, or traffic
16 periodicals necessary in connection with the performance of
17 the authorized functions of the agencies for which funds are
18 herein provided.

19 SEC. 104. No part of any appropriation contained in
20 this title shall be available to pay the salary of any person
21 filling a position, other than a temporary position, formerly
22 held by an employee who has left to enter the Armed Forces
23 of the United States and has satisfactorily completed his

1 period of active military or naval service and has within
2 ninety days after his release from such service or from hos-
3 pitalization continuing after discharge for a period of not more
4 than one year made application for restoration to his former
5 position and has been certified by the Civil Service Commis-
6 sion as still qualified to perform the duties of his former
7 position and has not been restored thereto.

8 SEC. 105. Appropriations contained in this title, avail-
9 able for expenses of travel shall be available, when specifi-
10 cally authorized by the head of the activity or establishment
11 concerned, for expenses of attendance at meetings of organi-
12 zations concerned with the function or activity for which the
13 appropriation concerned is made.

14 SEC. 106. No part of any appropriations made available
15 by the provisions of this title shall be used for the purchase
16 or sale of real estate or for the purpose of establishing new
17 offices outside the District of Columbia: *Provided*, That
18 this limitation shall not apply to programs which have been
19 approved by the Congress and appropriations made therefor.

20 SEC. 107. No part of any appropriation contained in
21 this title shall be used to pay the compensation of any em-
22 ployee engaged in personnel work in excess of the number
23 that would be provided by a ratio of one such employee to
24 one hundred and thirty-five, or a part thereof, full-time,

1 part-time, and intermittent employees of the agency con-
2 cerned: *Provided*, That for purposes of this section employees
3 shall be considered as engaged in personnel work if they
4 spend half time or more in personnel administration con-
5 sisting of direction and administration of the personnel
6 program; employment, placement, and separation; job
7 evaluation and classification; employee relations and services;
8 training; wage administration; and processing, recording,
9 and reporting.

10 SEC. 108. None of the sections under the head "Inde-
11 pendent Offices, General Provisions" in this title shall apply
12 to the Housing and Home Finance Agency or the Tennessee
13 Valley Authority.

14 TITLE II—CORPORATIONS

15 The following corporations and agencies, respectively.
16 are hereby authorized to make such expenditures, within the
17 limits of funds and borrowing authority available to each such
18 corporation or agency and in accord with law, and to make
19 such contracts and commitments without regard to fiscal year
20 limitations as provided by section 104 of the Government
21 Corporation Control Act, as amended, as may be necessary
22 in carrying out the programs set forth in the Budget for the
23 fiscal year 1955 for each such corporation or agency, except
24 as hereinafter provided:

1 HOUSING AND HOME FINANCE AGENCY

2 Federal National Mortgage Association: Not to exceed
3 \$3,238,000 shall be available for administrative ex-
4 penses, which shall be on an accrual basis, and shall
5 be exclusive of interest paid, depreciation, properly capital-
6 ized expenditures, fees for servicing mortgages, expenses
7 (including services performed on a force account, contract,
8 or fee basis, but not including other personal services) in
9 connection with the acquisition, protection, operation, main-
10 tenance, improvement, or disposition of real or personal
11 property belonging to said Association or in which it has an
12 interest, cost of salaries, wages, travel, and other expenses
13 of persons employed outside of the continental United States,
14 expenses of services performed on a contract or fee basis in
15 connection with the performance of legal services, and all
16 administrative expenses reimbursable from other Government
17 agencies; and said Association may utilize and may make
18 payment for services and facilities of the Federal Reserve
19 banks and other agencies of the Government: *Provided*, That
20 the distribution of administrative expenses to the accounts
21 of the Association shall be made in accordance with generally
22 recognized accounting principles and practices: *Provided*
23 *further*, That not to exceed \$87,750 shall be available for
24 expenses of travel: *Provided further*, That administrative
25 expenses not under limitation for the purposes set forth in

1 the budget schedules for the fiscal year 1955 shall not exceed
2 \$150,000.

3 Office of the Administrator, housing loans to educational
4 institutions: Not to exceed \$375,000 shall be available for all
5 administrative expenses, which shall be on an accrual basis, of
6 carrying out the functions of the Office of the Administrator
7 under the program of housing loans to educational institutions
8 (title IV of the Housing Act of 1950, 12 U. S. C. 1749-
9 1749d), but this amount shall be exclusive of payment for
10 services and facilities of the Federal Reserve banks or
11 any member thereof, the Federal home-loan banks,
12 and any insured bank within the meaning of the Act creating
13 the Federal Deposit Insurance Corporation (Act of August
14 23, 1935, as amended, 12 U. S. C. 264) which has been
15 designated by the Secretary of the Treasury as a depository
16 of public money of the United States: *Provided*, That not
17 to exceed \$19,000 shall be available for expenses of travel.

18 Office of the Administrator, revolving fund (liquidating
19 programs) : There is established as of June 30, 1954, a re-
20 volving fund, and the Administrator is authorized to credit
21 said fund with all moneys hereafter obtained or now held by
22 him or by any constituent agency of the Housing and Home
23 Finance Agency or any other official thereof, and to account
24 under said fund for all assets and liabilities, in connection with
25 (1) community facilities provided or assisted under title

1 II of the Lanham Act, as amended (42 U. S. C. 1531-
2 1534), or under title III of the Defense Housing and Com-
3 munity Facilities and Services Act of 1951, as amended (42
4 U. S. C. 1592-1592n); (2) loans or advances made pur-
5 suant to title V of the War Mobilization and Reconversion
6 Act of 1944 (58 Stat. 791), or the Act of October 13, 1949
7 (40 U. S. C. 451-458); (3) functions transferred under
8 Reorganization Plan No. 23 of 1950 (5 U. S. C. 133z-15,
9 note), or authorized under sections 102, 102a, 102b, and
10 102c of the Housing Act of 1948, as amended (12 U. S. C.
11 1701g-1701g-3); (4) notes or other obligations purchased
12 pursuant to the Alaska Housing Act, as amended (48
13 U. S. C. 484 (a)); (5) subsistence homesteads and green-
14 towns (Acts of June 29, 1936, 49 Stat. 2035, and May
15 19, 1949, 63 Stat. 68); (6) public war housing under title
16 I of the Lanham Act, as amended (42 U. S. C. 1521-
17 1524), and defense housing under title III of the Defense
18 Housing and Community Facilities and Services Act of 1951,
19 as amended (42 U. S. C. 1592-1592n); and (7) veterans'
20 re-use housing under title V of the Lanham Act, as amended
21 (42 U. S. C. 1571-1575): *Provided*, That said fund shall be
22 available for all necessary expenses (including administrative
23 expenses) in connection with the liquidation of the programs
24 carried out pursuant to the foregoing provisions of law, in-
25 cluding operation, maintenence, improvement, or disposition

1 of facilities, and for disbursements pursuant to outstanding
2 commitments against moneys herein authorized to be
3 credited to said fund, repayment of obligations to the Treas-
4 ury, and refinancing and refunding operations on existing
5 loans: *Provided further*, That any amount in said fund
6 which is determined to be in excess of requirements for
7 the purposes hereof shall be declared and paid as liquidating
8 dividends to the Treasury not less often than annually:
9 *Provided further*, That during the current fiscal year not
10 to exceed \$3,940,000 shall be available for administrative
11 expenses (including not to exceed \$265,000 for travel)
12 for the foregoing purposes, but this amount shall be ex-
13 clusive of payment for services and facilities of the Federal
14 Reserve banks or any member thereof, the Federal home-
15 loan banks, and any insured bank within the meaning
16 of the Act of August 23, 1935, as amended, creating the
17 Federal Deposit Insurance Corporation (12 U. S. C. 264)
18 which has been designated by the Secretary of the Treas-
19 ury as a depository of public money of the United States:
20 *Provided further*, That after the effective date of this Act
21 no additional notes or obligations shall be purchased from
22 funds appropriated pursuant to the Alaska Housing Act,
23 as amended (48 U. S. C. 484 (d)), except for the fur-
24 therance or refinancing of an existing loan: *Provided further*.
25 That except for extensions, or refinancing, of existing

1 obligations the authority to issue obligations to the Secre-
2 tary of the Treasury under section 1 (4) of Reorganization
3 Plan No. 23 of 1950 (5 U. S. C. 1332-15, note), shall
4 terminate on June 30, 1954: *Provided further*, That all
5 expenses, not otherwise specifically limited in this Act,
6 in connection with the programs administered pursuant to
7 the foregoing provisions of law shall not exceed \$20,000,000.

8 Home Loan Bank Board: Not to exceed a total of
9 \$775,000 shall be available for administrative ex-
10 penses of the Home Loan Bank Board, and shall be de-
11 rived from funds available to the Home Loan Bank Board,
12 including those in the Home Loan Bank Board revolving
13 fund and receipts of the Federal Home Loan Bank Admin-
14 istration, the Federal Home Loan Bank Board, or the Home
15 Loan Bank Board for the current fiscal year and prior fiscal
16 years, and the Board may utilize and may make payment
17 for services and facilities of the Federal home-loan banks, the
18 Federal Reserve banks, the Federal Savings and Loan In-
19 surance Corporation, and other agencies of the Government:
20 *Provided*, That all necessary expenses in connection with the
21 conservatorship of institutions insured by the Federal Savings
22 and Loan Insurance Corporation and all necessary expenses
23 (including services performed on a contract or fee basis, but
24 not including other personal services) in connection with the
25 handling, including the purchase, sale, and exchange, of

1 securities on behalf of Federal home-loan banks, and the sale,
2 issuance, and retirement of, or payment of interest on, debentures or bonds, under the Federal Home Loan Bank Act, as
3 amended, shall be considered as nonadministrative expenses
4 for the purposes hereof: *Provided further*, That not to exceed \$35,000 shall be available for expenses of travel:
5 *Provided further*, That notwithstanding any other provisions
6 of this Act, except for the limitation in amount hereinbefore
7 specified, the administrative expenses and other obligations
8 of the Board shall be incurred, allowed, and paid in accordance with the provisions of the Federal Home Loan Bank
9 Act of July 22, 1932, as amended (12 U. S. C. 1421-
10 1449) : *Provided further*, That the nonadministrative expenses for the examination of Federal and State chartered
11 institutions shall not exceed \$2,395,000.

12 Federal Savings and Loan Insurance Corporation: Not
13 to exceed \$455,000 shall be available for administrative
14 expenses, which shall be on an accrual basis and shall be
15 exclusive of interest paid, depreciation, properly capitalized
16 expenditures, expenses in connection with liquidation of
17 insured institutions, liquidation or handling of assets of or
18 derived from insured institutions, payment of insurance, and
19 action for or toward the avoidance, termination, or minimizing of losses in the case of insured institutions, legal fees
20 and expenses, and payments for administrative expenses of

1 the Home Loan Bank Board determined by said Board to be
2 properly allocable to said Corporation, and said Corporation
3 may utilize and may make payment for services and facilities
4 of the Federal home-loan banks, the Federal Reserve banks,
5 the Home Loan Bank Board, and other agencies of the
6 Government: *Provided*, That not to exceed \$6,500 shall
7 be available for expenses of travel: *Provided further*,
8 That notwithstanding any other provisions of this Act,
9 except for the limitation in amount hereinbefore specified,
10 the administrative expenses and other obligations of said
11 Corporation shall be incurred, allowed and paid in accord-
12 ance with title IV of the Act of June 27, 1934, as amended
13 (12 U. S. C. 1724-1730).

14 Federal Housing Administration: In addition to the
15 amounts available by or pursuant to law (which shall be
16 transferred to this authorization) for the administrative ex-
17 penses in carrying out duties imposed by or pursuant to law,
18 not to exceed \$5,000,000 of the various funds of the Federal
19 Housing Administration shall be available for expenditure,
20 in accordance with the National Housing Act, as amended
21 (12 U. S. C. 1701) : *Provided*, That, except as herein other-
22 wise provided, all expenses and obligations of said Admin-
23 istration shall be incurred, allowed, and paid in accordance
24 with the provisions of said Act: *Provided further*, That
25 not to exceed \$175,000 shall be available for expenses

1 of travel: *Provided further*, That funds available for
2 expenditure shall be available for contract actuarial services
3 (not to exceed \$1,500) ; and purchase of periodicals and
4 newspapers (not to exceed \$500) : *Provided further*, That
5 expenditures for nonadministrative expenses classified by
6 section 2 of Public Law 387, approved October 25, 1949,
7 shall not exceed \$24,000,000.

8 Public Housing Administration: Of the amounts avail-
9 able by or pursuant to law for the administrative expenses
10 of the Public Housing Administration in carrying out duties
11 imposed by or pursuant to law including funds appropriated
12 by title I of this Act not to exceed \$6,950,000, shall be
13 available for such expenses, including not to exceed \$500,000
14 for expenses of travel; and expenses of attendance at meet-
15 ings of organizations concerned with the work of the
16 Administration: *Provided*, That necessary expenses of pro-
17 viding representatives of the Administration at the sites
18 of non-Federal projects in connection with the con-
19 struction of such non-Federal projects by public housing
20 agencies with the aid of the Administration, shall be com-
21 pensated by such agencies by the payment of fixed fees which
22 in the aggregate in relation to the development costs of such
23 projects will cover the costs of rendering such services, and
24 expenditures by the Administration for such purpose shall be
25 considered nonadministrative expenses, and funds received

1 from such payments may be used only for the payment of
2 necessary expenses of providing representatives of the Ad-
3 ministration at the sites of non-Federal projects: *Provided*
4 *further*, That all expenses of the Public Housing Administra-
5 tion not specifically limited in this Act, in carrying out its
6 duties imposed by or pursuant to law, shall not exceed
7 \$1,530,000: *Provided further*, That during the fiscal year
8 1955 the Commissioner shall continue to make every effort
9 to refund all local bonds held by the Public Housing Admin-
10 istration under the United States Housing Act of 1937, as
11 amended.

12 CORPORATIONS—GENERAL PROVISIONS

13 SEC. 202. No part of the funds of, or available for expend-
14 iture by, any corporation or agency included in this title shall
15 be used to pay the compensation of any employee engaged
16 in personnel work in excess of the number that would be
17 provided by a ratio of one such employee to one hundred and
18 thirty-five, or a part thereof, full-time, part-time, and inter-
19 mittent employees of the agency concerned: *Provided*, That
20 for purposes of this section employees shall be considered as
21 engaged in personnel work if they spend half-time or more
22 in personnel administration consisting of direction and ad-
23 ministration of the personnel program; employment, place-
24 ment, and separation; job evaluation and classification;
25 employee relations and services; training; committees of

1 expert examiners and boards of civil-service examiners; wage
2 administration; and processing, recording, and reporting.

3 TITLE III—GENERAL PROVISIONS

4 SEC. 301. No part of any appropriation contained in this
5 Act, or of the funds available for expenditure by any corpo-
6 ration included in this Act, shall be used to pay the salary or
7 wages of any person who engages in a strike against the
8 Government of the United States or who is a member of an
9 organization of Government employees that asserts the right
10 to strike against the Government of the United States, or
11 who advocates, or is a member of an organization that
12 advocates, the overthrow of the Government of the United
13 States by force or violence: *Provided*, That for the purposes
14 hereof an affidavit shall be considered prima facie evidence
15 that the person making the affidavit has not contrary to the
16 provisions of this section engaged in a strike against the
17 Government of the United States, is not a member of an
18 organization of Government employees that asserts the right
19 to strike against the Government of the United States, or that
20 such person does not advocate, and is not a member of an
21 organization that advocates, the overthrow of the Govern-
22 ment of the United States by force or violence: *Provided*
23 *further*, That any person who engages in a strike against the
24 Government of the United States or who is a member of an
25 organization of Government employees that asserts the right

1 to strike against the Government of the United States, or who
2 advocates, or who is a member of an organization that advo-
3 cates, the overthrow of the Government of the United States
4 by force or violence and accepts employment the salary or
5 wages for which are paid from any appropriation or fund
6 contained in this Act shall be guilty of a felony and, upon
7 conviction, shall be fined not more than \$1,000 or imprisoned
8 for not more than one year, or both: *Provided further*, That
9 the above penalty clause shall be in addition to, and not in
10 substitution for, any other provisions of existing law.

11 SEC. 302. No part of any appropriation contained in
12 this Act, or of the funds available for expenditure by any
13 corporation or agency included in this Act, shall be used
14 for publicity or propaganda purposes designed to support
15 or defeat legislation pending before the Congress.

16 SEC. 303. This Act may be cited as the "Independent
17 Offices Appropriation Act, 1955."

Passed the House of Representatives March 31, 1954.

Attest:

LYLE O. SNADER,

Clerk.

AN ACT

Making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1955, and for other purposes.

APRIL 1 (legislative day, MARCH 1), 1954
Read twice and referred to the Committee on
Appropriations

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued May 17, 1954
For actions of May 14, 1954
83rd-2nd, No. 89

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HIGHLIGHTS: Senate passed surplus-fish bill. Sen. Langer claimed violation of REA contracts. Senate committee reported independent offices appropriation bill. Sen. Butler (Nebr.) entered motion to reconsider recommitment of bill to expedite ICC rate decisions.

SENATE

1. FISHERY PRODUCTS. Passed with amendments S. 2802, to earmark Sec. 32 funds for education, publicity, and research in connection with fishery products (pp. 6221-37, 6249-55). Agreed to the committee amendments en bloc (p. 6254). Agreed to Sen. Ellender's amendments to limit the bill to a period of 3 years, ending June 30, 1957; to limit the amount which may be used to purchase fish and other seafoods to \$1,500,000; to limit the amount of expenditures for the purposes of the bill to \$3,000,000 annually; and to require the Secretary of the Interior to report annually to the appropriate committees of Congress on the use of section 32 funds provided by the bill (p. 6254).
2. TRANSPORTATION. Sen. Butler (Nebr.) entered a motion to reconsider the recommitment of S. 1461, to expedite ICC action upon applications of certain common carriers for rate increases (pp. 6248-9).
3. INDEPENDENT OFFICES APPROPRIATION BILL, 1955. The Appropriations Committee reported with amendments this bill HR. 8583 (S. Rept. 1339) (p. 6215). As reported, this bill provides a total of \$5,700,729,413, an increase of \$134,610,650 over the House-passed figure of \$5,566,118,763.
The "Daily Digest" states that on May 13, a subcommittee ordered reported to the Appropriations Committee H. R. 8367, the Army civil functions appropriation bill for 1955 (p. D529).
4. ELECTRIFICATION. Sen. Langer spoke claiming that REA contracts had been violated by the Government, and stating that he would hold hearings to "ascertain exactly what is taking place in the Department of the Interior" in this regard (pp. 6237-40).
The Public Works Committee reported without amendment S. 3090, to authorize the transmission, etc., by the Interior Department of electricity generated at the Falcon Dam (S. Rept. 1340) (p. 6215).

5. FARM LOANS. Received a proposed bill from the Farm Credit Admin. to authorize the Central Bank for Cooperatives and the regional banks for cooperatives to issue consolidated debentures (pp. 6213-4).
6. FOREIGN TRADE. Received a proposed bill from the State Department to provide for an extension on a reciprocal basis of the period of the free entry of Philippine articles into this country (p. 6213).
7. T.V.A. Sen. Gore spoke saying "I would find the reappointment of Mr. Clapp entirely satisfactory" (pp. 6218-9).
8. ST. LAWRENCE SEAWAY. Sen. Wiley inserted a White House press release issued when the President signed the enactment providing for this project, and Sen. Cordon stated that the signing of this "Act... was a milestone" (pp. 6216-7).
9. STATEHOOD. Sen. Smathers inserted telegrams, etc., opposing the delegations in Washington, D. C. supporting statehood for Hawaii and Alaska (pp. 6219-20).
10. MONETARY POLICY. Sen. Humphrey spoke against the Administration's "hard money, tight credit policy," and inserted a newspaper article, "Swift Policy Reversal Restores Easy Money" (p. 6246).
11. PERSONNEL. Sen. Humphrey spoke in favor of pay increases for postal and other Federal employees (pp. 6246-8).
12. RECESSED until Mon., May 17 (p. 6255). Legislative program as announced by Sen. Knowland: Mon., Calendar; and Tues., independent offices appropriation bill (p. 6249).

HOUSE

13. TRAVEL. A subcommittee approved for reporting to the Government Operations Committee H. R. 179, to provide for payment of expenses of return transportation of Federal employees and authorized dependents, but not household effects, from posts of duty outside continental United States (p. D531).

COMMITTEE HEARINGS RELEASED BY GPO

14. APPROPRIATIONS. Military Construction, 1954 (including discussions of use of surplus agricultural commodities to pay for U. S. military bases in Spain and possibility of similar arrangements elsewhere). S. Appropriations Committee.

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COMMITTEE HEARING ANNOUNCEMENTS FOR MAY 17: Overall farm program proposals. H. and S. Agriculture (exec). Southeastern forest-fire compact, expansion of Water Facilities Act, and Farrington nomination to CCC. S. Agriculture (exec).

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For supplemental information and copies of legislative material referred to, call Ext. 4654 or send to Room 105A.

20. CENSUS. H. R. 9192, by Rep. McCulloch, to revise, codify, and enact into law title 13 of the U. S. Code, "Census"; to Judiciary Committee (p. 6424).
21. FLAMMABLE FABRICS. H. R. 9193, by Rep. Patterson, to amend the Flammable Fabrics Act so as to exempt fabrics and wearing apparel which are not highly flammable; to Interstate and Foreign Commerce Committee (p. 6424).

COMMITTEE HEARINGS RELEASED BY GPO

22. INDEPENDENT OFFICES APPROPRIATION BILL, 1955. S. Appropriations Committee.

SENATE (Continued)

23. INDEPENDENT OFFICES APPROPRIATION BILL, 1955. In reporting this bill, H. R. 8583 (see Digest 89), the Appropriations Committee increased the Council of Economic Advisers from \$250,000 to \$285,000, the Office of Defense Mobilization from \$2,134,000 to \$2,486,000, the management improvement fund from \$250,000 to \$300,000, the Federal Trade Commission from \$4,030,700 to \$4,100,000, the General Services Administration from \$149,063,300 to \$155,063,300 (\$2,000,000 each for Public Buildings Service operating expenses, Buildings Management Fund, and general supply fund expenses), the National Science Foundation from \$11,000,000 to \$14,000,000, the Subversive Activities Board from \$150,000 to \$185,000, the Tariff Commission from \$1,250,000 to \$1,327,000, and the Tennessee Valley Authority from \$103,582,000 to \$129,582,000. The Committee also inserted \$120,000 (the House bill provided no funds) for the Advisory Committee on Weather Control.

Excerpts from Committee Report:

Management Improvement. "The committee was advised that the Bureau has decided to concentrate on 4 or 5 of the most important management improvement projects, instead of expanding to a larger number of projects at this time."

Tariff Commission. "The committee is advised that it is the inherent purpose of the Commission to make special studies, investigations, and reports for the Government agencies and for the Congress, and that it would be impracticable to attempt to secure reimbursement for such services. Accordingly, the committee recommends that the following proviso be stricken from the bill:

: Provided further, That no part of the foregoing appropriation shall be used for making any special study, investigation, or report at the request of any other agency of the executive branch of the Government unless reimbursement is made for the cost thereof"

Tennessee Valley Authority. "the committee reaffirms the paragraph placed in the Government Corporations Appropriation Act for 1948, as follows:

None of the power revenues of the Tennessee Valley Authority shall be used for the construction of new power producing projects (except for replacement purposes) unless and until approved by Act of Congress.

The committee is advised that from time to time questions have been raised as to whether the Federal Government, or any agency thereof such as TVA, has authority under the Constitution to engage in the production of power for supply to the public, directly or indirectly, as distinguished from national defense requirements. The committee believes that the appropriate legislative committee of the Senate at some time should give consideration to such questions!"

24. HOUSING. The "Daily Digest" states that the Banking and Currency Committee "agreed unanimously to extend the farm housing program of the Housing Act of 1949" (p. D542).

ITEMS IN APPENDIX

25. T.V.A. Rep. Priest inserted a newspaper editorial claiming that although 9 private power companies located near the TVA were forced by TVA competition to have the lowest private-utility rates in the country, they are actually among the country's biggest profitmakers (p. A3607).
Sen. Gore inserted a newspaper editorial favoring the reappointment of Gordon Clapp as Chairman of the TVA (p. A3635).
26. MILK. Rep. McCarthy inserted a newspaper article claiming that a major reason why powdered milk can not do for the dairy industry what frozen concentrates have done for orange growers is that USDA's Federal milk price orders do not allow free expansion of sales (pp. A3607-8).
27. FOREIGN TRADE; TARIFFS. Rep. Hunter inserted O. R. Strackbein's recent address discussing our foreign trade policies and opposing further tariff reductions (pp. A3608-9).
28. WATER POLLUTION. Rep. Lane inserted a newspaper editorial favoring more Federal funds for eliminating pollution and improvement of New England rivers (p. A3610).
29. SOCIAL SECURITY. Rep. Reed (N.Y.) inserted an analysis of H.R. 7199, to amend the Social Security Act, etc., so as to extend and expand the social security system, etc., to other classes of workers, including farm workers and self employed farmers (pp. 3615-25).
30. RECLAMATION. Sen. Bennett inserted a newspaper editorial refuting some of the arguments against construction of the upper Colo. River Basin project (p. A3640).
31. ELECTRIFICATION. Sen. Morse inserted a Rural Electrification magazine article, "New Power Policy Hurts Labor, Too" (pp. A3662-3).
Sen. Morse inserted a Linn County Farmers Union (Ore.) resolution favoring Federal construction of the multipurpose Green Peter Dam, including all generating facilities, which are to be owned and operated by the Federal government (p. A3640).
32. FARM PROGRAM. Sen. Morse inserted a Linn County Farmers' Union (Ore.) resolution favoring high price supports, a food-allotment program, a farm trading post to expand exports, an adequate safety reserve of food, extension of marketing orders and agreements to more fruits and vegetables, a loan program for improved marketing facilities, renewal and extension of the ACE, and incentive payments for conservation payments on diverted acreage (p. A3643).
33. PRICE SUPPORTS. Rep. Wetcalf inserted a petition favoring high price supports signed by 520 Mont. businessmen (pp. A3660-2).
34. PUBLIC LANDS. Sen. Morse inserted an Ore. Farmers' Union local resolution opposing, S. 2584 and H. R. 6787, to protect interests of livestock producers in connection with Forest Service grazing lands (pp. A3648-9).

INDEPENDENT OFFICES APPROPRIATION BILL, 1955

MAY 14 (legislative day, MAY 13), 1954.—Ordered to be printed

Mr. SALTONSTALL, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H. R. 8583]

The Committee on Appropriations, to whom was referred the bill (H. R. 8583) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1955, and for other purposes, report the same to the Senate with various amendments and present herewith information relative to the changes made.

Amount of bill as passed House.....	\$5, 566, 118, 763
Amount of increase by Senate (net).....	134, 610, 650
Amount of bill as reported to Senate.....	5, 700, 729, 413
Amount of appropriations, 1954.....	5, 996, 287, 163
Amount of regular and supplemental estimates, 1955.....	5, 987, 622, 360

The bill as reported to the Senate:

Under the estimates for 1955.....	286, 892, 947
Under the appropriations for 1954.....	295, 557, 750

SUMMARY

The bill as it passed the House provided for a total appropriation of \$5,566,118,763. This was a reduction of \$363,604,837 from the estimates considered by the House of \$5,929,723,600.

In addition to the supplemental estimates considered by the House, the following supplemental estimates were submitted to the Senate:

S. Doc. No. 112, Council of Economic Advisers-----	\$35, 000
S. Doc. No. 114, Veterans' Administration, general operating expenses-----	7, 500, 000
S. Doc. No. 115, Small Business Administration, revolving fund----	50, 000, 000
S. Doc. No. 120, Housing and Home Finance Agency, Office of Administrator-----	243, 760

Total supplemental estimates submitted to the Senate----- 57, 778, 760

Also considered by the Senate was an estimate of \$120,000 to cover the 1955 salaries and expenses of the Advisory Committee on Weather Control, which had been submitted to the House in House Document No. 305 in the amount of \$150,000 for 1954 and 1955.

The estimates considered by the Senate total \$5,987,622,360.

The Senate recommends increases totaling \$134,610,650 over the House, of which \$32,678,760 is allowed on supplemental estimates submitted to the Senate. The bill as reported to the Senate provides for a total appropriation of \$5,700,729,413, or a reduction of \$286,892,947 from the estimates considered by the Senate of \$5,987,622,360.

Administrative expense limitations are also provided in the bill for the corporations under the Housing and Home Finance Agency. The Senate allowed an increase of \$175,000, or a total amount of \$20,908,000, which is a reduction of \$1,249,000 from the estimates of \$22,157,000.

INCREASES AND LIMITATIONS

The changes recommended by the committee in the amounts of the House bill are as follows:

EXECUTIVE OFFICE OF THE PRESIDENT:

Council of Economic Advisers----- \$35, 000

The increase recommended by the committee is to provide the supplemental estimate in S. Doc. No. 112 for the expenses of a small staff to coordinate public works planning. This provides a total for the Council of \$285,000 in direct appropriation, and the unobligated balance is continued available.

National Security Council----- 15, 000

The increase recommended by the committee is to provide the full estimate of \$215,000. The amount provided is \$5,000 less than the 1954 appropriation in the Defense Appropriation Act. The committee feels that this aid to the President should be provided for in the amount requested.

Office of Defense Mobilization----- 352, 000

Of the increase recommended by the committee \$27,000 is to provide the full estimate for the Interdepartmental Radio Advisory Committee of \$161,000, and \$325,000 is to restore a portion of the House reduction of \$455,000 in the mobilization direction program. The total amount provided is \$2,486,000, which is \$275,000 below the estimate of \$2,761,000.

The committee also recommends that the limitation on the amount available to the Interdepartmental Radio Advisory Committee be increased from \$134,000 to \$161,000.

INCREASES AND LIMITATIONS—Continued

EXECUTIVE OFFICE OF THE PRESIDENT—Continued

Expenses of management improvement-----	\$50, 000
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The increase recommended by the committee is to provide for the revised request of \$300,000, which is \$100,000 below the estimate of \$400,000. The committee was advised that the Bureau had decided to concentrate on 4 or 5 of the most important management improvement projects, instead of expanding to a larger number of projects at this time.

Total, Executive Office of the President--	452, 000
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ADVISORY COMMITTEE ON WEATHER CONTROL-----	120, 000
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The increase recommended by the committee is to provide for the expenses of a new agency established by the act of August 13, 1953, to study and evaluate public and private experiments in weather modification and to make appropriate recommendations to the President and to the Congress, with a final report by June 30, 1956. A Senate amendment to provide \$30,000 to start operations in 1954 was rejected by the conferees on the Third Supplemental bill. The estimate was submitted to the House in H. Doc. No. 305 dated January 25, 1954, at the time the public members were confirmed by the Senate.

The committee also recommends that the following item be inserted in the bill:

ADVISORY COMMITTEE ON WEATHER CONTROL

SALARIES AND EXPENSES

For necessary expenses of the Advisory Committee on Weather Control, established by the Act of August 13, 1953 (67 Stat. 559), including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), \$120,000.

AMERICAN BATTLE MONUMENTS COMMISSION:

Construction of memorials and cemeteries:

In order to allow under construction the same assistance granted by the House under maintenance for the purpose of obtaining the assignment of qualified personnel, the committee recommends that the following proviso be inserted in the bill:

: Provided further, That the Commission may reimburse other Government agencies, including the Armed Forces, for salary, pay, and allowances of personnel assigned to it.

INCREASES AND LIMITATIONS—Continued

ATOMIC ENERGY COMMISSION:

Operating expenses	\$9, 318, 000
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The increase recommended by the committee is to restore the following items of reduction made by the House:

Physical research (to provide revised estimate of \$42,000,000)---	\$3, 100, 000
Biology and medicine (to provide revised estimate of \$27,000,000)-	435, 000
Increase in stores inventories (to provide estimate of \$12,113,000)-	5, 783, 000

Total increase.....	9, 318, 000
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The total amount provided is \$1,102,780,300, which is \$2,869,700 below the revised estimate of \$1,105,650,000.

In order to allow the Commission to arrange through the General Services Administration the consolidation of the headquarters office from three separate buildings into a single location so as to eliminate security hazards incident to the movement of highly sensitive documents between buildings and to permit savings estimated at \$300,000 annually in the cost of guards, extra security protective devices, shuttle mail service, and other costs of communicating between buildings, the committee recommends that the following be added to the authorizations in the bill:

rental in the District of Columbia

Plant and equipment	33, 501, 600
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The increase recommended by the committee is to restore the following items of reduction made by the House:

New ore processing plants (full estimate)	\$12, 000, 000
Miscellaneous budget items (including housing at Los Alamos)	5, 000, 000
Contingencies and underruns on construction projects (partial restoration of \$122,066,000 required by the House to be used from prior-year balances)-	16, 501, 600

Total increase.....	33, 501, 600
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The committee is advised that private financing is being arranged for construction of some of the processing plants on the Colorado Plateau, but that the amount recommended is needed by the Commission to assure the meeting of production goals.

The committee is also advised that current bids for a group of houses constructed at Los Alamos indicate the requirement for the full estimate for 1955 for the number of units proposed.

The committee is also advised that the amount recommended for contingencies and underruns is required to assure a safe margin for starting construction projects under the requirements of the "funds to complete" provision.

INCREASES AND LIMITATIONS—Continued

ATOMIC ENERGY COMMISSION—Continued

The total amount provided is \$130,000,000, which is \$106,350,000 below the revised estimate of \$236,350,000.

In order to provide funds for 15 projects of construction or improvement of 178 miles of access roads to domestic uranium mines, since the funds were not requested by the Department of Commerce, the committee recommends that the following transfer provision be inserted in the bill:

: Provided further, That not to exceed \$2,500,000 of the funds herein provided may be transferred to the Bureau of Public Roads, Department of Commerce, for the construction or improvement of access roads in the United States to sources of uranium ore

Total, Atomic Energy Commission---	\$42, 819, 600
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CIVIL SERVICE COMMISSION:

Investigations of United States citizens for employment by international organizations:

The committee was advised that the full estimate of \$900,000 is required by the Commission in order to guard against United States citizens being refused employment by international organizations because of delay in the issuance of loyalty clearances. A balance of \$500,000 is estimated to be unobligated from the funds provided in the Supplemental Appropriation Act, 1954, of \$1,200,000. Therefore, the committee recommends in addition to \$400,000 provided in the bill that the following be inserted in the bill:

, together with not to exceed \$500,000 of the unobligated balance of funds appropriated for this purpose in the "Supplemental Appropriation Act, 1954"

FEDERAL COMMUNICATIONS COMMISSION-----

750, 000

The increase recommended by the committee is to provide partial restoration of the \$950,000 denied by the House for a special frequency usage monitoring program directed by the National Security Council and prepared in collaboration with the Office of Defense Mobilization for the purpose of determining through technical surveillance the use being made of particular radiofrequencies. The committee was advised that, in addition to assisting national security, the program would furnish information needed to fulfill international treaty obligations and to expand frequency allocations.

The total amount provided for the Commission is \$7,294,400, which is \$350,000 below the estimate of \$7,644,400.

The committee also recommends that the limitation for lands and structures be increased from \$4,000 to the estimate of \$48,000, and that the limitation for improvement and care of grounds and repairs to buildings be increased from \$16,000 to the estimate of \$37,500.

INCREASES AND LIMITATIONS—Continued

FEDERAL TRADE COMMISSION-----

\$69, 300

The increase recommended by the committee is to provide partial restoration of the House reductions as follows:

Bureau of Industrial Economics, for financial reports-----	\$46, 200
Economic and marketing adviser-----	14, 600
Travel expenses-----	8, 500
Total increase-----	69, 300

The committee was advised that the appointment of an economic and marketing adviser with clerical assistance is required under the Administrative Procedure Act which provides that no person engaged in the investigation or litigation of a case can thereafter advise the Commission with respect to such case.

The committee was also advised that additional funds are needed in order to expand the financial reporting and statistical activity beyond the manufacturing level.

The committee also recommends that the following limitation be stricken from the bill:

and not to exceed \$140,000 for expenses of travel

GENERAL SERVICES ADMINISTRATION:

Public Buildings Service, operating expenses----

2, 000, 000

The increase recommended by the committee is to restore the estimate less a voluntary reduction of \$1,600,000 due to a transfer of plants in the National Industrial Reserve to the Department of Defense. The total amount provided is \$96,460,000, the estimate for regular operating expenses after the House transferred \$17,340,000 to "Emergency operating expenses," on which they allowed \$15,647,000.

The committee does not agree with the House that \$5,000,000 can be reduced from overhead costs for the buildings management activity, since only \$7,432,000 is the amount to cover all full-time administrative and supervisory personnel. The committee believes that such a denial of adequate direct supervision could only result in inadequate and unsatisfactory service and bring about dirty buildings, curtailed elevator service, and extensive backlogs of repairs. The committee feels that efficiency of operation could bring about some economies, but the committee believes it is unwise to require a reduction in so large an amount and thus to hamper the efficient operation that is desired.

The committee also does not agree with the House in requiring that \$3,000,000 from such funds be used for additional repairs and improvements to Government-owned buildings in the District of Columbia. The committee believes that as savings in operating costs are effected through efficient operation, such savings should be used for the purpose stated, but the committee believes it is unwise to require such a large amount to be expended for that purpose until such savings can be worked out.

INCREASES AND LIMITATIONS—Continued

GENERAL SERVICES ADMINISTRATION—Continued

Buildings management fund----- \$2, 000, 000

The increase recommended by the committee is to provide additional working capital. The fund was authorized by act of July 12, 1952, at \$10,000,000. The increase recommended, added to the capital appropriated last year of \$3,000,000, will provide a total capital of \$5,000,000 for this business-type enterprise.

The committee is advised that the estimated business for the fund is \$145,000,000 in 1955, of which \$110,000,000 is financed from appropriations to GSA for buildings operations, and that the problem requiring additional capital is to finance the remaining \$35,000,000 in services to other Federal agencies for security guarding and other buildings operations, communications and job orders for supplies, until the fund is reimbursed from the agencies.

The committee also recommends that the following paragraph be added to the bill:

Buildings management fund: For additional working capital for the "Buildings management fund", authorized by the Act approved July 12, 1952 (66 Stat. 594), \$2,000,000, to remain available without fiscal year limitation.

General supply fund, expenses----- 2, 000, 000

The increase recommended by the committee is to provide the estimate of \$13,100,000 less the House reduction of \$18,200 for 13 automobiles and \$15,000 for decreased costs for printing and reproduction. The total amount provided is \$13,066,800.

The committee is advised that a large quantity of common-use items is being currently transferred from the various military supply systems and a substantial increase in business is anticipated from civilian and military programs. The committee believes that economies from centralized purchasing and distribution can only be achieved by providing adequate funds for operation of the program, including the regional and district stores depots.

In order to provide authorization to acquire 13 passenger motor vehicles from other sources, in addition to 12 vehicles to be purchased from the general supply fund, the committee recommends that the following be added to the bill:

and for the acquisition of thirteen such vehicles from excesses reported by other agencies, or from forfeitures

Total, General Services Administration----- 6, 000, 000

INCREASES AND LIMITATIONS—Continued

HOUSING AND HOME FINANCE AGENCY:

Office of the Administrator:

Salaries and expenses-----

\$250, 000

The increase recommended by the committee is to provide restoration of \$100,000 of the House reduction of \$231,500 and to provide the portion of the supplemental estimate in S. Doc. No. 120 requesting \$150,000 for the additional costs of establishing and operating a central staff for investigation and compliance functions for the entire Agency. The amount provided is \$2,918,500, which is \$225,260 below the revised estimate of \$3,143,760.

The request for \$100,000 to continue current investigations of irregularities is not allowed. The committee is agreeable to considering the need for such additional funds on the supplemental appropriation bill at the end of the present session at which time the Administrator could present to the committee a report on the results of such investigations with funds already provided.

The committee also recommends that the following be inserted in the bill:

, including \$150,000 for additional costs of establishing and operating a central staff for investigation and compliance functions for the Housing and Home Finance Agency

Capital grants for slum clearance and urban redevelopment:

Since the language is ambiguous and may have far-reaching consequences affecting 82 projects in all sections of the country not clearly foreseeable at this time, and could seriously impair the slum clearance and urban redevelopment program under outstanding contracts, and since the subject is now being considered by the appropriate legislative committees of the Congress, the committee recommends that the following proviso be stricken from the bill:

: Provided, That no funds in this Act shall be available for payment of capital grants under any contract involving the development or redevelopment of a project for predominantly residential uses where incidental uses are not restricted to those normally essential for residential uses

Public Housing Administration:

Annual contributions:

The House provided a total of \$63,950,000, which is a reduction of \$5,150,000 from the estimate of \$69,100,000. The committee agrees that all possible economies should be worked out with the local housing authorities in an effort to keep down as far as possible the increasing amount of appropriations that will be required. No restoration of the House reduction is recommended, since the committee believes that the amount required cannot be exactly determined in advance, and

INCREASES AND LIMITATIONS—Continued

HOUSING AND HOME FINANCE AGENCY—Continued

that if an additional amount may be required it can be provided in a supplemental bill, as was done for the previous year.

Total, Housing and Home Finance
Agency -----

\$250, 000

INTERSTATE COMMERCE COMMISSION:

Defense transport activities:

In order to provide more specifically for the performance of these activities by the appropriate Commissioner who may be delegated functions from the Office of Defense Mobilization, the committee recommends that the following be stricken from the bill:

who is responsible for the supervision of the Bureau of Service to carry out functions delegated to him under the Defense Production Act of 1950, as amended

and that the following be inserted in lieu thereof:

of the Interstate Commerce Commission who has been delegated functions under the Defense Production Act of 1950, as amended, to carry out such functions

Railroad safety and locomotive inspection:

The committee was advised by railroad union organizations that they were fearful the consolidation of the items of railroad safety and of locomotive inspection would not work out satisfactorily in operation. In view of the fact that the matter is being considered by the appropriate legislative committees of the Congress, the committee recommends that the following be stricken from the bill:

Railroad safety and locomotive inspection:

For expenses necessary in the performance of functions relating to railroad inspection and safety, including not to exceed \$290,000 for expenses of travel, \$1,684,000.

and that the following language as estimated be inserted in lieu thereof:

Railroad safety: For expenses necessary in performing functions authorized by law (45 U. S. C. 1-15, 17-21, 35-46, 61-64; 49 U. S. C. 26) to insure a maximum of safety in the operation of railroads, including authority to investigate, test experimentally, and report on the use and need of any appliances or systems intended to promote the safety of railway operations, including those pertaining to block-signal and train-control systems, as authorized by the joint resolution approved June 30, 1906, and the Sundry Civil Act of May 27, 1908 (45 U. S. C. 35-37), and to require carriers by railroad subject to the Act to install automatic train-stop or train-control devices as prescribed by the Commission (49 U. S. C. 26), including the employment of inspectors and engineers, and including not to exceed \$163,050 for expenses of travel, \$974,500.

Locomotive inspection: For expenses necessary in the enforcement of the Act of February 17,

INCREASES AND LIMITATIONS—Continued

INTERSTATE COMMERCE COMMISSION—Continued

1911, entitled "An Act to promote the safety of employees and travelers upon railroads by compelling common carriers engaged in interstate commerce to equip their locomotives with safe and suitable boilers and appurtenances thereto", as amended (45 U. S. C. 22-34), including not to exceed \$112,620 for expenses of travel, \$709,500.

NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS:
Salaries and expenses-----

\$3, 107, 750

The increase recommended by the committee is to restore the House reduction in funds requested for staffing and initial operation, including power costs, of three unitary plan wind tunnels costing \$75,000,000 which are now under construction and will soon be ready for use. The total amount provided is \$52,107,750, which is \$1,492,250 below the estimate of \$53,600,000.

Construction and equipment-----

271, 000

The increase recommended by the committee is to restore the estimate of \$4,620,000. The committee was advised that the restoration of \$120,000 for alteration of the 8- by 6-foot supersonic tunnel would considerably increase the utility of the tunnel in connection with investigations on advanced types of military aircraft engine, and that the restoration of \$151,000 for the rocket engine research facility estimated at \$2,551,000 would prevent the necessity for redesigning at costs greater than the intended savings.

Total, National Advisory Committee for
Aeronautics-----

3, 378, 750

NATIONAL SCIENCE FOUNDATION-----

3, 000, 000

The increase recommended by the committee is to provide the full estimate of \$14,000,000, in order to extend the overall support of basic research by the Federal Government through contracts and grants.

The committee also recommends that the limitation on the amount for expenses of travel be increased from \$89,500 to the estimate of \$116,000.

SECURITIES AND EXCHANGE COMMISSION-----

75, 000

The increase recommended by the committee is to provide partial restoration of the House reduction of \$125,000. The total amount provided is \$4,775,000, which is \$50,000 below the estimate of \$4,825,000.

SMALL BUSINESS ADMINISTRATION:

Salaries and expenses-----

550, 000

The increase recommended by the committee is to provide partial restoration of the House reduction of \$625,000 in the direct appropriation. The total amount provided is \$2,575,000, which is \$75,000 below the estimate of \$2,650,000.

The committee also recommends that the limitation on the amount that may be transferred from the revolving fund for administrative expenses be increased from \$1,650,000, the original estimate, to \$2,500,000, which is \$350,000 below the revised estimate of \$2,850,000 in S. Doc. No. 115.

INCREASES AND LIMITATIONS—Continued

SMALL BUSINESS ADMINISTRATION—Continued

Revolving fund	\$25, 000, 000
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The increase recommended by the committee is to provide half of the additional capital requested in the supplemental estimate in S. Doc. No. 115. Added to the \$55,000,000 of capital appropriated in the Supplemental Act, 1954, the amount provided is \$80,000,000.

The committee also recommends that the following be added to the bill:

*REVOLVING FUND, SMALL BUSINESS
ADMINISTRATION*

For additional capital for the Revolving Fund authorized by the Small Business Act of 1953, to be available without fiscal year limitation, \$25,000,000.

Total, Small Business Administration	25, 550, 000
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SUBVERSIVE ACTIVITIES CONTROL BOARD	35, 000
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The increase recommended by the committee is to provide \$185,000 for the direct appropriation, which added to \$115,000 of unobligated balance provides the full estimate of \$300,000.

The committee also recommends that the limitation on the amount of unobligated balance of funds be increased from \$81,000 to \$115,000. And for the purpose of making available all unobligated balances within the limitation, the committee recommends that the following be inserted in the bill:

and "The Supplemental Appropriation Act, 1954"

TARIFF COMMISSION	77, 000
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The increase recommended by the committee is to provide the full estimate of \$1,327,000.

The committee is advised that it is the inherent purpose of the Commission to make special studies, investigations, and reports for the Government agencies and for the Congress, and that it would be impracticable to attempt to secure reimbursement for such services. Accordingly, the committee recommends that the following proviso be stricken from the bill:

: Provided further, That no part of the foregoing appropriation shall be used for making any special study, investigation, or report at the request of any other agency of the executive branch of the Government unless reimbursement is made for the cost thereof

TENNESSEE VALLEY AUTHORITY	26, 000, 000
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The increase recommended by the committee is to provide partial restoration of the House reduction of \$38,218,000 from the appropriation estimate of \$141,800,000. Specifically restored are the following:

Resource development expenses (in addition to \$600,000 derived from proceeds of operations, for a total of \$1,200,000, as estimated)	\$600, 000
Distribution of administrative and general expenses (to provide the estimate of \$335,000)	40, 000

INCREASES AND LIMITATIONS—Continued

TENNESSEE VALLEY AUTHORITY—Continued

Funds for purchase of 111 additional automobiles, for replacement only-----	\$89, 500
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Total specifically restored-----	729, 500
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The House report suggested that the following items be financed from the corporate budget:

Transmission system facilities-----	\$12, 000, 000
Additions and improvements at completed projects-----	152, 000
Investigations for future projects-----	125, 000
General facilities-----	211, 500
Balance available in subsequent years and/or reserve for contingencies---	25, 000, 000

Total suggested to be financed from corporate budget-----	37, 488, 500
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The committee recommends \$25,270,500 of the restoration to be applied toward the portion suggested to be financed from the corporate budget, leaving a balance of \$12,218,000 to be so financed.

In this connection the committee reaffirms the paragraph placed in the Government Corporations Appropriation Act for 1948, as follows:

"None of the power revenues of the Tennessee Valley Authority shall be used for the construction of new power producing projects (except for replacement purposes) unless and until approved by Act of Congress."

The committee is advised that from time to time questions have been raised as to whether the Federal Government, or any agency thereof such as TVA, has authority under the Constitution to engage in the production of power for supply to the public, directly or indirectly, as distinguished from national defense requirements. The committee believes that the appropriate legislative committee of the Senate at some time should give consideration to such questions.

The committee also recommends that the limitation on the number of passenger motor vehicles to be purchased be increased from 100 to 211.

The committee also recommends that the limitation on the amount available for resource development activities be increased from \$600,000 to \$1,200,000, of which \$600,000 shall be derived from the appropriation and \$600,000 shall be derived from proceeds of operations.

VETERANS ADMINISTRATION:

General operating expenses-----	
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\$7, 954, 000

The increase recommended by the committee is to provide the following:

Consolidation of field operation (full supplemental estimate requested in S. Doc. No. 114)----	\$7, 500, 000
Travel expenses, partial restoration-----	454, 000

Total increase-----	7, 954, 000
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The total amount provided is \$171,876,300, which is \$323,700 below the revised estimate of \$172,200,000.

The committee also recommends that the limitation on the amount of expenses of travel of employees be increased from \$2,690,000 to \$3,144,000.

INCREASES AND LIMITATIONS—Continued

VETERANS ADMINISTRATION—Continued

Inpatient care:

The committee recommends that the number of passenger motor vehicles authorized to be purchased for replacement only be increased from 50 to 70.

Outpatient care----- \$10, 000, 000

The increase over the estimate recommended by the committee is to provide for an increased workload anticipated for fee-basis dental care. The committee was advised that the estimate included \$5,810,000 for outpatient fee-basis dental care on the basis of retaining the limitation included in the 1954 appropriation. When the limitation was stricken in the House, the committee was advised that \$16,621,000 additional would be required, or a total of \$22,431,000. The total amount provided for the program is \$86,744,000, of which \$15,810,000 will be available for outpatient fee-basis dental care. This will be sufficient providing a legislative amendment to be offered by the committee is adopted.

The committee also recommends that the following be inserted in the bill:

, of which not excluding \$15,810,000 shall be available for outpatient fee-basis dental care

Hospital and domiciliary facilities----- 8, 000, 000

The increase over the estimate recommended by the committee is to provide for the first phase of a replacement program at veterans' hospital, Long Beach, Calif., for the purpose of replacing 1,340 beds now housed in inadequate temporary structures, for the particular benefit of paraplegic and quadraplegic patients.

Major alterations, improvements, and repairs--- 80, 000

The increase over the estimate recommended by the committee is to provide quarters for the manager and a duplex apartment for 2 additional staff families at the Veterans' Administration Center at Fargo, N. Dak., to replace the unsuitable quonset huts used for housing medical personnel.

Total, Veterans' Administration----- 26, 034, 000

TITLE II—CORPORATIONS

HOUSING AND HOME FINANCE AGENCY:

Office of the Administrator, revolving fund (liquidating programs):

In order to protect the interests of the Government in the event of unforeseen difficulties in the liquidation of assets, the committee recommends excluding such services from the administrative expense limitation by inserting the following language, as estimated, in the bill:

costs of services performed on a contract or fee basis in connection with termination of contracts and legal services on a contract or fee basis

INCREASES AND LIMITATIONS—Continued

TITLE II—CORPORATIONS—Continued

HOUSING AND HOME FINANCE AGENCY—Continued

In order to permit mortgages in connection with the liquidation of housing programs to be placed with servicers handling FNMA mortgages on a fee basis, rather than require such servicing by Government employees, the committee recommends that the following be inserted in the bill:

any services approved by the Federal National Mortgage Association

The committee also recommends that the limitation on the expenses not otherwise specifically limited in the bill be increased from \$20,000,000 to \$26,230,000. The committee was advised that the reduction by the House would seriously interfere with proper maintenance of the properties involved.

Federal Housing Administration:

The committee recommends that the limitation on the amount available for administrative expenses be increased from \$5,000,000 to \$5,175,000, which is \$175,000 below the estimate of \$5,350,000.

In order to allow needed flexibility for certain expenses related to examination and insurance of loans as well as claims, which expenses are limited by law to 35 percent of income from premiums and fees, the committee recommends that the following provision be deleted from the bill:

: *Provided further*, That expenditures for non-administrative expenses classified by section 2 of Public Law 387, approved October 25, 1949, shall not exceed \$24,000,000

Public Housing Administration:

In order to authorize PHA to accept allocations of funds from the Administrator to carry out delegated functions, particularly concerning continued operation of programs transferred by the House to the revolving fund for liquidation, the committee recommends striking from the bill in three places in the authorizing language the following:

or pursuant to

Total increases_____	\$134, 610, 650
Amount of bill as reported to the Senate_____	5, 700, 729, 413

REDUCTIONS IN APPROPRIATIONS

(Available from amounts heretofore appropriated)

HOUSING AND HOME FINANCE AGENCY:

Defense housing_____	\$4, 500, 000
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VETERANS ADMINISTRATION:

Soldiers' and sailors' civil relief_____	500, 000
Vocational rehabilitation revolving fund_____	400, 000

Total rescissions_____	5, 400, 000
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ADMINISTRATIVE EXPENSES

[Limitations on amounts of corporate funds to be expended]

Corporation or agency	Authorizations, 1954	Budget esti- mates, 1955	Recommended in House bill for 1955	Amount recommended by Senate committee	Increase (+) or decrease (-) Senate bill com- pared with—		
					Appropriations 1954	Estimates 1955	House bill
Housing and Home Finance Agency:							
Federal National Mortgage Association.....	\$3,250,000	\$3,350,000	\$3,238,000	\$3,238,000	—\$12,000	—\$112,000	-----
Housing loan programs.....	525,625	375,000	375,000	375,000	—150,625	-----	-----
Revolving Fund (liquidating programs).....	0	340,000	3,940,000	3,940,000	+3,940,000	+3,600,000	-----
Home Loan Bank Board.....	775,000	787,000	775,000	775,000	-----	—12,000	-----
Federal Savings and Loan Insurance Corporation.....	455,000	455,000	455,000	455,000	-----	-----	-----
Expenses, liquidation of Home Owners' Loan Corporation.....	(1)	-----	-----	-----	-----	-----	-----
Federal Housing Administration.....	5,322,800	5,350,000	5,000,000	5,175,000	—147,800	—175,000	+175,000
Public Housing Administration.....	² 10,975,000	³ 11,500,000	6,950,000	6,950,000	—4,025,000	—4,550,000	-----
Total.....	21,303,425	22,157,000	20,733,000	20,908,000	—395,425	—1,249,000	+175,000

¹ \$10,000 continued available to complete final liquidation on Oct. 31, 1953.

² Amount includes \$6,950,000 of funds appropriated in title I.

³ Amount includes estimate for an appropriation of \$7,900,000.

PERMANENT AND DEFINITE ANNUAL APPROPRIATIONS

Object	Appropriations, 1954	Estimates, 1955	Increase (+) or decrease (-)
Federal Power Commission: Payments to States under Federal Power Act.....	\$32,498	\$41,379	+\$8,881

COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1954, ESTIMATES FOR 1955, AND AMOUNTS
RECOMMENDED IN THE BILL FOR 1955

Item	Appropriations, 1954	Budget esti- mates, 1955	Recommended in House bill for 1955	Amount recommended by Senate committee	Increase (+) or decrease (—) Senate bill compared with—		
					Appropriations, 1954	Estimates, 1955	House bill
EXECUTIVE OFFICE OF THE PRESIDENT							
Compensation of the President.....	\$150,000	\$150,000	\$150,000	\$150,000			
The White House Office.....	1,800,000	1,895,000	1,895,000	1,895,000	+895,000		
Executive Mansion and Grounds.....	356,184	366,200	366,200	366,200	+10,016		
Bureau of the Budget.....	3,412,000	3,390,000	3,382,500	3,382,500	-29,500	-87,500	
Council of Economic Advisers.....	2,275,000	2,360,000	2,250,000	2,285,000	+10,000	-75,000	+325,000
National Security Council.....	220,000	215,000	200,000	215,000	-5,000		+15,000
Office of Defense Mobilization.....	2,750,000	2,761,000	2,134,000	2,486,000	-264,000	-275,000	+352,000
Emergency fund for the President (national defense).....	2,300,000	750,000	2,150,000	2,150,000	-150,000	-600,000	
Expenses of management improvement.....	750,000	400,000	250,000	300,000	-200,000	-100,000	+50,000
Total, Executive Office of the President.....	9,763,184	10,287,200	8,777,700	9,229,700	-533,484	-1,057,500	+452,000
INDEPENDENT OFFICES							
ADVISORY COMMITTEE ON WEATHER CONTROL							
Salaries and expenses.....		8120,000		120,000	+120,000		+120,000
AMERICAN BATTLE MONUMENTS COMMISSION							
Salaries and expenses.....	750,000	775,000	775,000	775,000	+25,000		
Construction of memorials and cemeteries.....	8,500,000	3,500,000	3,500,000	3,500,000	-5,000,000		
Total, American Battle Monuments Commission.....	9,250,000	4,275,000	4,275,000	4,275,000	-4,975,000		

Comparative statement of appropriations for 1954, estimates for 1955, and amounts recommended in the bill for 1955—Con.

Item	Appropriations, 1954	Budget esti- mates, 1955	Recommended in House bill for 1955	Amount recommended by Senate committee	Increase (+) or decrease (—) Senate bill compared with—		
					Appropriations, 1954	Estimates, 1955	House bill
GENERAL SERVICES ADMINISTRATION							
Operating expenses, Public Buildings Service.....	\$98,826,070	13 \$98,060,000	\$94,460,000	\$96,460,000	—\$2,366,070	—\$1,600,000	+\$2,000,000
Emergency operating expenses.....	14 20,200,000	13 17,340,000	15,647,000	15,647,000	—4,553,000	—1,693,000	-----
Repair, improvement, and equipment of federally owned buildings outside the District of Columbia.....	14,000,000	12,000,000	12,000,000	12,000,000	—2,000,000	-----	-----
Operating expenses, Federal Supply Service.....	2,605,000	2,600,000	2,600,000	2,600,000	—5,000	-----	-----
Expenses, general supply fund.....	13,924,500	13,100,000	11,066,800	13,066,800	—857,700	—33,200	+\$2,000,000
Operating expenses, National Archives and Records Service.....	5,625,000	5,000,000	5,000,000	5,000,000	—625,000	-----	-----
Administrative operations.....	4,200,000	4,100,000	3,789,500	3,789,500	—410,500	—310,500	-----
Refunds under Renegotiation Act.....	9,000,000	(15)	(15)	(15)	—9,000,000	-----	-----
Strategic and critical materials (liquidation of contract author- ization).....	(16)	27,600,000	(17)	(17)	-----	—27,600,000	-----
Hospital facilities in the District of Columbia (liquidation of contract authorization).....	0	4,500,000	4,500,000	4,500,000	+4,500,000	-----	-----
Buildings management fund.....	3,000,000	3,000,000	0	2,000,000	—1,000,000	—1,000,000	+\$2,000,000
Remodeling the Congress Street Post Office, Chicago, Ill.....	576,200	0	-----	-----	—576,200	-----	-----
Total, General Services Administration.....	171,956,770	187,300,000	149,063,300	155,063,300	—16,893,470	—32,236,700	+\$6,000,000
HOUSING AND HOME FINANCE AGENCY							
Office of the Administrator:							
Salaries and expenses.....	3,215,550	18 3,143,760	2,668,500	2,918,500	—297,050	—225,260	+\$250,000
Capital grants for slum clearance and urban redevelopment.	20,000,000	39,000,000	39,000,000	39,000,000	+19,000,000	-----	-----
Total, Office of the Administrator.....	23,215,550	42,143,760	41,668,500	41,918,500	+18,702,950	—225,260	+\$250,000

Public Housing Administration:									
Administrative expenses.....	6,950,000	7,900,000	6,950,000	6,950,000				-950,000	
Annual contributions.....	¹⁹ 43,300,000	69,100,000	63,950,000	63,950,000			+20,650,000	-5,150,000	
Total, Public Housing Administration.....	50,250,000	77,000,000	70,900,000	70,900,000			+20,650,000	-6,100,000	
Total, Housing and Home Finance Agency.....	73,465,550	119,143,760	112,568,500	112,818,500			+39,352,950	-6,325,260	+250,000
INDIAN CLAIMS COMMISSION									
Salaries and expenses.....	117,020	117,000	117,000	117,000			-20		
INTERSTATE COMMERCE COMMISSION									
Salaries and expenses.....		11,500,000						-11,500,000	
General expenses.....	9,600,000	(²⁰)	9,816,000	9,816,000			+216,000	+9,816,000	
Defense transport activities.....	425,000	275,000	170,000	170,000			-255,000	-105,000	
Railroad safety.....	974,500	(²⁰)		974,500				+974,500	+974,500
Locomotive inspection.....	709,500	(²⁰)		709,500				+709,500	+709,500
Locomotive inspection and railroad safety.....			1,684,000						-1,684,000
Total, Interstate Commerce Commission.....	11,709,000	11,775,000	11,670,000	11,670,000			-39,000	-105,000	
INTERSTATE COMMISSION ON THE POTOMAC RIVER BASIN									
Contribution to the Interstate Commission on the Potomac River Basin.....	5,000	5,000	5,000	5,000					
NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS									
Salaries and expenses.....	51,000,000	53,600,000	²¹ 49,000,000	²⁰ 52,107,750			+1,107,750	-1,492,250	+3,107,750
Construction and equipment.....	7,239,000	4,620,000	4,349,000	4,620,000			-2,619,000		+271,000
Construction and equipment (liquidation of contract authorization).....	4,200,000						-4,200,000		
Total, National Advisory Committee for Aeronautics.....	62,439,000	58,220,000	53,349,000	56,727,750			-5,711,250	-1,492,250	+3,378,750

¹⁷ Not to exceed \$27,600,000 from funds previously appropriated made available.

¹⁸ Includes \$243,760 contained in S. Doc. 120.

¹⁹ Includes amounts in third supplemental appropriation bill.

²⁰ Consolidated in estimate for salaries and expenses.

²¹ Plus \$1,000,000 of unobligated balances available on June 30, 1954.

¹³ Consolidated in the estimates as 1 item.

¹⁴ Includes \$200,000 contained in the Supplemental Appropriation Act, 1954.

¹⁵ Unobligated balance of prior year appropriations continued available until June 30, 1956.

¹⁶ Not to exceed \$30,000,000 of prior year funds made available.

Comparative statement of appropriations for 1954, estimates for 1955, and amounts recommended in the bill for 1955—Con.

Item	Appropriations, 1954	Budget esti- mates, 1955	Recommended in House bill for 1955	Amount recommended by Senate committee	Increase (+) or decrease (-) Senate bill compared with—		
					Appropriations, 1954	Estimates, 1955	House bill
NATIONAL CAPITAL HOUSING AUTHORITY							
Maintenance and operation of properties.....	\$43,000	\$43,000	\$43,000	\$43,000			
NATIONAL CAPITAL PLANNING COMMISSION							
Salaries and expenses.....	125,000	155,000	143,000	143,000	+\$18,000	-\$12,000	
Land acquisition.....	100,000	545,000	545,000	545,000	+445,000		
Total, National Capital Planning Commission.....	225,000	700,000	688,000	688,000	+463,000	-12,000	
NATIONAL SCIENCE FOUNDATION							
Salaries and expenses.....	8,000,000	14,000,000	11,000,000	14,000,000	+6,000,000		+\$3,000,000
RENEGOTIATION BOARD							
Salaries and expenses.....	5,192,800	5,200,000	4,500,000	4,500,000	-692,800	-700,000	
SECURITIES AND EXCHANGE COMMISSION							
Salaries and expenses.....	5,000,000	4,825,000	4,700,000	4,775,000	-225,000	-50,000	+75,000
SELECTIVE SERVICE SYSTEM							
Salaries and expenses.....	29,882,400	31,500,000	29,003,013	29,003,063	-879,337	-2,496,937	
SMALL BUSINESS ADMINISTRATION							
Salaries and expenses.....	22 2,200,000	23 2,650,000	24 2,025,000	23 2,575,000	+375,000	-75,000	+550,000
Revolving fund, Small Business Administration.....	55,000,000	23 50,000,000	(27)	25,000,000			
Revolving fund, Small Defense Plants Administration.....				(37)	-30,000,000	-25,000,000	+25,000,000
Total Small Business Administration.....	57,200,000	52,650,000	2,025,000	27,575,000	-29,625,000	-25,075,000	+25,550,000

SMITHSONIAN INSTITUTION									
Salaries and expenses.....	3, 000, 000	3, 000, 000	3, 000, 000	3, 000, 000	3, 000, 000	3, 000, 000	-----	-----	-----
National Gallery of Art, salaries and expenses.....	1, 275, 000	1, 300, 000	1, 300, 000	1, 300, 000	1, 300, 000	1, 300, 000	+ 25, 000	-----	-----
Total, Smithsonian Institution.....	4, 275, 000	4, 300, 000	4, 300, 000	4, 300, 000	4, 300, 000	4, 300, 000	+ 25, 000	-----	-----
SURVERSIVE ACTIVITIES BOARD									
Salaries and expenses.....	28 350, 000	300, 000	29 150, 000	29 185, 000	29 185, 000	29 185, 000	- 165, 000	- 115, 000	+ 35, 000
Salaries and expenses.....	1, 291, 375	1, 327, 000	1, 250, 000	1, 327, 000	1, 327, 000	1, 327, 000	+ 35, 625	-----	+ 77, 000
TENNESSEE VALLEY AUTHORITY									
Salaries, expenses, and construction.....	188, 371, 000	141, 800, 000	103, 582, 000	129, 582, 000	129, 582, 000	129, 582, 000	- 58, 789, 000	- 12, 218, 000	+ 26, 000, 000
Resource development.....	31 175, 000	(32)	(32)	(32)	(32)	(32)	- 175, 000	-----	-----
Total, Tennessee Valley Authority.....	188, 546, 000	141, 800, 000	103, 582, 000	129, 582, 000	129, 582, 000	129, 582, 000	- 58, 964, 000	- 12, 218, 000	+ 26, 000, 000
THE TAX COURT OF THE UNITED STATES									
Salaries and expenses.....	19 995, 000	1, 000, 000	1, 000, 000	1, 000, 000	1, 000, 000	1, 000, 000	+ 5, 000	-----	-----

22 Contained in the Supplemental Appropriation Act, 1954, and \$1,750,000 to be transferred from revolving fund.

23 And \$1,650,000 to be transferred from revolving fund.

24 Plus \$100,000 of unobligated balances available on June 30, 1954, and transfer of \$1,450,000 from revolving fund.

25 And \$2,500,000 to be transferred from revolving fund.

26 Contained in S. Doc. 115.

27 Revolving fund, SDPA, continued available during fiscal year 1955.

28 Includes \$150,000 contained in the Supplemental Appropriation Act, 1954.

29 And not to exceed \$81,000 of unobligated funds available on June 30, 1954.

30 And not to exceed \$115,000 of unobligated funds available.

31 And in addition \$975,000 from proceeds derived from operations.

32 Consolidated in the above appropriation.

Comparative statement of appropriations for 1954, estimates for 1955, and amounts recommended in the bill for 1955—Con.

Item	Appropriations, 1954	Budget esti- mates, 1955	Recommended in House bill for 1955	Amount recommended by Senate committee	Increase (+) or decrease (–) Senate bill compared with—	
					Appropriations, 1954	Estimates, 1955
VETERANS' ADMINISTRATION						
General operating expenses.....	\$193,531,000	33 \$172,200,000	\$163,922,300	\$171,876,300	–\$21,654,700	–\$323,700
Medical administration and miscellaneous operating expenses.....	14,870,400	14,654,000	14,654,000	14,654,000	–216,400	-----
Inpatient care.....	(592,831,300)	(597,255,000)	34 590,992,500	34 590,992,500	+590,992,500	+590,992,500
Maintenance and operation of hospitals.....	35 548,000,000	34 554,128,000	(34)	(34)	–548,000,000	–554,128,000
Contract hospitalization.....	20,583,100	18,891,000	(35)	(35)	–20,583,100	–18,891,000
Maintenance and operation of domiciliary facilities.....	24,248,200	24,236,000	(36)	(36)	–24,248,200	–24,236,000
Outpatient care.....	92,677,900	76,744,000	76,744,000	86,744,000	–5,933,900	+10,000,000
Maintenance and operation of supply depots.....	1,800,000	1,654,000	1,654,000	1,654,000	–146,000	-----
Compensation and pensions.....	10 2,461,291,000	2,535,000,000	2,435,000,000	2,435,000,000	–26,291,000	–100,000,000
Readjustment benefits.....	664,311,000	387,000,000	387,000,000	387,000,000	–277,311,000	-----
Military and naval insurance.....	1,496,000	4,932,000	4,932,000	4,932,000	+3,436,000	-----
Hospital and domiciliary facilities.....	17,500,000	39,000,000	39,000,000	47,000,000	+29,500,000	+8,000,000
Hospital and domiciliary facilities (liquidation of contract authorization).....	21,185,664	0	-----	-----	–21,185,664	-----
National service life insurance.....	75,000,000	36,570,000	30,570,000	30,570,000	–44,430,000	–6,000,000
Servicemen's indemnities.....	10 25,000,000	30,000,000	30,000,000	30,000,000	+5,000,000	-----
Grants to the Republic of the Philippines.....	37 1,731,000	1,564,000	1,564,000	1,564,000	–167,000	-----

Calendar No. 1342

85TH CONGRESS
2^D SESSION

H. R. 8583

[Report No. 1339]

IN THE SENATE OF THE UNITED STATES

APRIL 1 (legislative day, MARCH 1), 1954

Read twice and referred to the Committee on Appropriations

MAY 14 (legislative day, MAY 13), 1954

Reported by Mr. SALTONSTALL, with amendments

[Omit the part struck through and insert the part printed in italic]

AN ACT

Making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1955, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the Execu-
5 tive Office and sundry independent executive bureaus, boards,
6 commissions, corporations, agencies, and offices, for the
7 fiscal year ending June 30, 1955, namely:

1

TITLE I

2

EXECUTIVE OFFICE OF THE PRESIDENT

3

COMPENSATION OF THE PRESIDENT

4

For compensation of the President, including an expense allowance at the rate of \$50,000 per annum, as authorized by the Act of January 19, 1949 (3 U. S. C. 102), \$150,000.

8

THE WHITE HOUSE OFFICE

9

Salaries and expenses: For expenses necessary for The White House Office, including not to exceed \$215,000 for services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), at such per diem rates for individuals as the President may specify, and other personal services without regard to the provisions of law regulating the employment and compensation of persons in the Government service; newspapers, periodicals, teletype news service, and travel and official entertainment expenses of the President, to be accounted for solely on his certificate; \$1,895,000.

19

EXECUTIVE MANSION AND GROUNDS

20

For the care, maintenance, repair and alteration, refurnishing, improvement, heating and lighting, including electric power and fixtures, of the Executive Mansion and the Executive Mansion grounds, and traveling expenses, to be expended as the President may determine, notwithstanding the provisions of this or any other Act, \$366,200.

BUREAU OF THE BUDGET

Salaries and expenses: For expenses necessary for the Bureau of the Budget, including newspapers and periodicals (not exceeding \$200) ; teletype news service (not exceeding \$900) ; not to exceed \$70,000 for expenses of travel; and not to exceed \$20,000 for services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a) , at rates not to exceed \$50 per diem for individuals; \$3,382,500: *Provided*, That the Bureau of the Budget is authorized, without regard to section 505 of the Classification Act of 1949, to place two additional positions in grade GS-18 and two additional positions in grade GS-17 of the General Schedule established by said Act.

COUNCIL OF ECONOMIC ADVISERS

Salaries and expenses: For necessary expenses of the Council in carrying out its functions under the Employment Act of 1946 (15 U. S. C. 1021) , including newspapers and periodicals (not exceeding \$200) ; not exceeding \$15,000 for expenses of travel; and press clippings (not exceeding \$300) ; ~~\$250,000~~ \$285,000, together with the unobligated balance of funds appropriated for this purpose in the "Supplemental Appropriation Act, 1954".

NATIONAL SECURITY COUNCIL

Salaries and expenses: For expenses necessary for the National Security Council, including services as authorized

1 by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a),
 2 at rates not in excess of \$50 per diem for individuals; ac-
 3 ceptance and utilization of voluntary and uncompensated
 4 services; and expenses of attendance at meetings concerned
 5 with work related to the activity of the Council; ~~\$200,000~~
 6 ~~\$215,000~~.

7 OFFICE OF DEFENSE MOBILIZATION

8 Salaries and expenses: For expenses necessary for the
 9 Office of Defense Mobilization, including newspapers and
 10 periodicals (not exceeding \$500); hire of passenger motor
 11 vehicles; reimbursement of the General Services Adminis-
 12 tration for security guard service; and expenses of attendance
 13 at meetings concerned with the purposes of this appropria-
 14 tion; ~~\$2,134,000~~ \$2,486,000, of which ~~\$134,000~~ \$161,000
 15 shall be available for the Interdepartmental Radio Advisory
 16 Committee: *Provided*, That contracts for not to exceed eight
 17 persons under this appropriation for temporary or inter-
 18 mittent services as authorized by section 15 of the Act of
 19 August 2, 1946 (5 U. S. C. 55a), may be renewed annually.

20 FUNDS APPROPRIATED TO THE PRESIDENT

21 EMERGENCY FUND FOR THE PRESIDENT

22 NATIONAL DEFENSE

23 For expenses necessary to enable the President, through
 24 such officers or agencies of the Government as he may
 25 designate, and without regard to such provisions of law

1 regarding the expenditure of Government funds or the com-
2 pensation and employment of persons in the Government
3 service as he may specify, to provide in his discretion for
4 emergencies affecting the national interest, security, or de-
5 fense which may arise at home or abroad during the current
6 fiscal year, \$150,000, together with not to exceed \$600,000
7 of the unobligated balance in such fund on June 30, 1954:
8 *Provided*, That no part of this appropriation shall be avail-
9 able for allocation to finance a function or project for which
10 function or project a budget estimate of appropriation was
11 transmitted pursuant to law during the Eighty-third Con-
12 gress, second session, and Eighty-fourth Congress, first ses-
13 sion, and such appropriation denied after consideration
14 thereof by the Senate or House of Representatives or by
15 the Committee on Appropriations of either body.

16 EXPENSES OF MANAGEMENT IMPROVEMENT

17 For expenses necessary to assist the President in improv-
18 ing the management of executive agencies and in obtaining
19 greater economy and efficiency through the establishment
20 of more efficient business methods in Government operations,
21 including services as authorized by section 15 of the Act of
22 August 2, 1946 (5 U. S. C. 55a), at rates for individuals
23 not to exceed \$50 per diem, by allocation to any agency or
24 office in the executive branch for the conduct, under the
25 general direction of the Bureau of the Budget, of examina-

1 tions and appraisals of, and the development and installation
 2 of improvements in, the organization and operations of such
 3 agency or of other agencies in the executive branch,
 4 ~~\$250,000~~ \$300,000, to remain available until expended, and
 5 which shall be available without regard to the provisions of
 6 subsection (c) of section 3679 of the Revised Statutes, as
 7 amended.

8 INDEPENDENT OFFICES

9 ADVISORY COMMITTEE ON WEATHER CONTROL

10 SALARIES AND EXPENSES

11 *For necessary expenses of the Advisory Committee on*
 12 *Weather Control, established by the Act of August 13, 1953*
 13 *(67 Stat. 559), including services as authorized by section*
 14 *15 of the Act of August 2, 1946 (5 U. S. C. 55a), \$120,000.*

15 AMERICAN BATTLE MONUMENTS COMMISSION

16 Salaries and expenses: For necessary expenses, as
 17 authorized by the Act of June 26, 1946 (36 U. S. C. 121,
 18 123-132, 138), including the acquisition of land or interest
 19 in land in foreign countries; purchase and repair of uni-
 20 forms for caretakers of national cemeteries and monuments
 21 outside of the United States and its Territories and posses-
 22 sions at a cost not exceeding \$500; not to exceed \$12,000
 23 for expenses of travel; rent of office and garage space in
 24 foreign countries; purchase of one passenger motor vehicle
 25 for replacement only; and insurance of official motor vehicles

1 in foreign countries when required by law of such countries;
2 \$775,000: *Provided*, That where station allowance has
3 been authorized by the Department of the Army for officers
4 of the Army serving the Army at certain foreign stations,
5 the same allowance shall be authorized for officers of the
6 Armed Forces assigned to the Commission while serving
7 at the same foreign stations, and this appropriation is hereby
8 made available for the payment of such allowance: *Pro-*
9 *vided further*, That when traveling on business of the Com-
10 mission, officers of the Armed Forces serving as members or
11 as secretary of the Commission may be reimbursed for ex-
12 penses as provided for civilian members of the Commission:
13 *Provided further*, That the Commission may reimburse other
14 Government agencies, including the Armed Forces, for sal-
15 ary, pay, and allowances of personnel assigned to it.

16 Construction of memorials and cemeteries: For expenses
17 necessary for the permanent design and construction of
18 memorials and cemeteries in foreign countries as authorized
19 by the Act of June 26, 1946 (36 U. S. C. 121, 123-132,
20 138b), and the Act of August 5, 1947 (50 U. S. C. App.
21 1819), including purchase of one passenger motor vehicle for
22 replacement only, and not to exceed \$41,276 for expenses of
23 travel, \$3,500,000, to remain available until expended:
24 *Provided*, That the Commission is hereby authorized to erect
25 such works of architecture and art in the National Memorial

1 Cemetery of the Pacific as may be determined by the Com-
 2 mission with the consent of the Secretary of the Army:
 3 *Provided further, That the Commission may reimburse other*
 4 *Government agencies, including the Armed Forces, for*
 5 *salary, pay, and allowances of personnel assigned to it.*

6 ATOMIC ENERGY COMMISSION

7 Operating expenses: For necessary operating expenses
 8 of the Commission in carrying out the purposes of the Atomic
 9 Energy Act of 1946, including the employment of aliens;
 10 *rental in the District of Columbia*; services authorized by
 11 section 15 of the Act of August 2, 1946 (5 U. S. C. 55a) ;
 12 maintenance and operation of aircraft; publication and
 13 dissemination of atomic information; purchase, repair, and
 14 cleaning of uniforms; purchase of newspapers and periodi-
 15 cals (not to exceed \$5,000) ; official entertainment expenses
 16 (not to exceed \$5,000) ; not to exceed \$2,564,130 for
 17 expenses of travel; reimbursement of the General Services
 18 Administration for security guard services; not to exceed
 19 \$37,232,900 for personal services; and hire of passenger
 20 motor vehicles; ~~\$1,093,462,300~~ \$1,102,780,300, together
 21 with the unexpended balances, as of June 30, 1954, of prior
 22 year appropriations made available under this head to the
 23 Atomic Energy Commission: *Provided, That of such amounts*
 24 *\$100,000 may be expended for objects of a confidential*
 25 *nature and in any such case the certificate of the Commission*

1 as to the amount of the expenditure and that it is deemed
2 inadvisable to specify the nature thereof shall be deemed
3 a sufficient voucher for the sum therein expressed to have
4 been expended: *Provided further*, That from this appropria-
5 tion transfers of sums may be made to other agencies of the
6 Government for the performance of the work for which this
7 appropriation is made, and in such cases the sums so trans-
8 ferred may be merged with the appropriation to which trans-
9 ferred: *Provided further*, That no part of this appropriation
10 shall be used to pay the salary of any officer or employee
11 (except such officers and employees whose compensation is
12 fixed by law, and scientific and technical personnel) whose
13 position would be subject to the Classification Act of 1949,
14 as amended, if such Act were applicable to such position, at
15 a rate in excess of the rate payable under such Act for posi-
16 tions of equivalent difficulty or responsibility: *Provided*
17 *further*, That no part of this appropriation shall be used in
18 connection with the payment of a fixed fee to any contractor
19 or firm of contractors engaged under a cost-plus-a-fixed-fee
20 contract or contracts at any installation of the Commission,
21 where that fee for community management is at a rate in
22 excess of \$90,000 per annum, or for the operation of a trans-
23 portation system where that fee is at a rate in excess of
24 \$45,000 per annum.

1 Plant and equipment: For expenses of the Commission
2 in connection with the purchase and construction of plant
3 and the acquisition of equipment and other expenses inci-
4 dental thereto necessary in carrying out the purposes of the
5 Atomic Energy Act of 1946, including purchase of land and
6 interests in land; purchase of aircraft; purchase (not to
7 exceed two hundred and fifty-eight for replacement only)
8 and hire of passenger motor vehicles; ~~\$96,498,400~~ \$130,-
9 000,000, to remain available until expended: *Provided*, That
10 the unexpended balances of prior year appropriations made
11 available under this head shall be merged with this appropria-
12 tion: *Provided further*, That in addition to funds allocated for
13 research and development for reactors the Commission may
14 expend from funds provided under this head such sum as
15 may be necessary, not to exceed \$7,000,000, for beginning
16 of research or construction of such reactors, without regard
17 to any other provision of this Act: *Provided further*, That no
18 part of the foregoing appropriation shall be available for the
19 construction of any office building, residence, warehouse or
20 similar structure, utility, or other specific portion or unit of a
21 project, unless funds are available for the completion of such
22 building, utility, or other specific portion or unit of such project.
23 The foregoing proviso shall not be construed to prevent the pur-
24 chase of land for any project, the construction of any new
25 building or procurement of any machinery, equipment or

1 materials therefor, nor any utility nor any portion or unit of
2 a specific project if the funds are available to pay the cost of
3 such land, the cost of such building, machinery, equipment,
4 or materials, or the cost of such utility or the cost of any
5 such specific portion or unit of such project: *Provided*
6 *further*, That no part of this appropriation shall be used—

7 (A) to start any new construction project for which
8 an estimate was not included in the budget for the
9 current fiscal year unless it be a substitute therefor
10 within the limits of cost included in the budget; and

11 (B) to start any new construction project the
12 currently estimated cost of which exceeds by thirty-
13 five per centum the estimated cost included therefor
14 in such budget: *Provided further*, *That not to exceed*
15 *\$2,500,000 of the funds herein provided may be trans-*
16 *ferred to the Bureau of Public Roads, Department of*
17 *Commerce, for the construction or improvement of access*
18 *roads in the United States to sources of uranium ore.*

19 No part of the appropriations herein made to the Atomic
20 Energy Commission shall be available for payments under
21 any contract hereafter negotiated without advertising by the
22 Commission, except contracts with any foreign government
23 or any agency thereof and contracts for source material with
24 foreign producers, unless such contract includes a clause to
25 the effect that the Comptroller General of the United States

1 or any of his duly authorized representatives shall until the
2 expiration of three years after final payment have access
3 to and the right to examine any directly pertinent books,
4 documents, papers, and records of the contractor or any
5 of his subcontractors engaged in the performance of and
6 involving transactions related to such contracts or subcon-
7 tracts: *Provided*, That no part of such appropriations shall
8 be available for payments under any such contract which
9 includes any provision precluding an audit by the General
10 Accounting Office of any transaction under such contract.

11 Any appropriation available under this Act or hereto-
12 fore made to the Atomic Energy Commission may initially
13 be used subject to limitations in this Act during the fiscal
14 year 1955 to finance the procurement of materials, services,
15 or other costs which are a part of work or activities for which
16 funds have been provided in any other appropriation avail-
17 able to the Commission: *Provided*, That appropriate transfers
18 or adjustments between such appropriations shall subse-
19 quently be made for such costs on the basis of actual appli-
20 cation determined in accordance with generally accepted
21 accounting principles.

22 Not to exceed 5 per centum of any appropriation under
23 this head may be transferred to any other such appropria-
24 tion but no such appropriation shall be increased by more
25 than 5 per centum by any such transfers, and any such

1 transfers shall be reported promptly to the appropriations
2 committees of the House and Senate.

3 No part of any appropriation herein made to the
4 Atomic Energy Commission shall be used to confer a fellow-
5 ship on any person who advocates or who is a member of an
6 organization or party that advocates the overthrow of the
7 Government of the United States by force or violence or with
8 respect to whom the Commission finds, upon investigation
9 and report by the Civil Service Commission on the char-
10 acter, associations, and loyalty of whom, that reasonable
11 grounds exist for belief that such person is disloyal to the
12 Government of the United States: *Provided*, That any per-
13 son who advocates or who is a member of an organization
14 or party that advocates the overthrow of the Government
15 of the United States by force or violence and accepts em-
16 ployment or a fellowship the salary, wages, stipend, grant,
17 or expenses for which are paid from any appropriation con-
18 tained herein shall be guilty of a felony and, upon convic-
19 tion, shall be fined not more than \$1,000 or imprisoned
20 for not more than one year, or both: *Provided further*,
21 That the above penal clause shall be in addition to, and not
22 in substitution for, any other provisions of existing law.

23 CIVIL SERVICE COMMISSION

24 Salaries and expenses: For necessary expenses, in-
25 cluding not to exceed \$29,000 for services as authorized

1 by section 15 of the Act of August 2, 1946 (5 U. S. C.
2 55a) ; not to exceed \$10,000 for medical examinations
3 performed for veterans by private physicians on a fee
4 basis; travel expenses of examiners acting under the direc-
5 tion of the Commission, and expenses of examinations and
6 investigations held in Washington and elsewhere; not to
7 exceed \$100 for the purchase of newspapers and periodicals
8 (excluding scientific, technical, trade or traffic periodicals,
9 for official use) ; payment in advance for library member-
10 ship in societies whose publications are available to members
11 only or to members at a price lower than to the general
12 public; not to exceed \$65,000 for performing the duties
13 imposed upon the Commission by the Act of July 19,
14 1940 (54 Stat. 767) ; reimbursement of the General Services
15 Administration for security guard services for protection of
16 confidential files; not to exceed \$443,000 for expenses
17 of travel; and not to exceed \$5,000 for actuarial services
18 by contract, without regard to section 3709, Revised
19 Statutes, as amended; \$15,575,600: *Provided*, That no
20 details from any executive department or independent estab-
21 lishment in the District of Columbia or elsewhere to the Com-
22 mission's central office in Washington or to any of its
23 regional offices shall be made during the current fiscal year,
24 but this shall not affect the making of details for service as
25 members of the boards of examiners outside the immediate

1 offices of the Commission in Washington or of the regional
2 directors, nor shall it affect the making of details of persons
3 qualified to serve as expert examiners on special subjects:
4 *Provided further*, That the Civil Service Commission shall
5 have power in case of emergency to transfer or detail any
6 of its employees to or from its office or field force.

7 No part of the appropriations herein made to the Civil
8 Service Commission shall be available for the salaries and
9 expenses of the Legal Examining Unit in the Examining
10 and Personnel Utilization Division of the Commission,
11 established pursuant to Executive Order 9358 of July
12 1, 1943, or for the compensation or expenses of any
13 member of a board of examiners (1) who has not made
14 affidavit that he has not appeared in any agency proceeding
15 within the preceding two years, and will not thereafter while
16 a board member appear in any agency proceeding, as a
17 party, or in behalf of a party to the proceeding, before an
18 agency in which an applicant is employed who has been
19 rated or will be rated by such member; or (2) who, after
20 making such affidavit, has rated an applicant who at the
21 time of the rating is employed by an agency before which
22 the board member has appeared as a party, or in behalf of a
23 party, within the preceding two years: *Provided*, That the
24 definitions of "agency", "agency proceeding", and "party"

1 in section 2 of the Administrative Procedure Act shall apply
2 to these terms as used herein.

3 No part of appropriations herein shall be used to pay
4 the compensation of officers and employees of the Civil
5 Service Commission who allocate or reallocate supervisory
6 positions in the classified civil service solely on the size of
7 the group, section, bureau, or other organization unit, or
8 on the number of subordinates supervised. References
9 to size of the group, section, bureau, or other organization
10 unit or the number of subordinates supervised may be given
11 effect only to the extent warranted by the workload of
12 such organization unit and then only in combination with
13 other factors, such as the kind, difficulty, and complexity of
14 work supervised, the degree and scope of responsibility
15 delegated to the supervisor, and the kind, degree, and value
16 of the supervision actually exercised.

17 Investigations of United States citizens for employment
18 by international organizations: For expenses necessary to
19 carry out the provisions of Executive Order No. 10422 of
20 January 9, 1953, as amended, prescribing procedures for
21 making available to the Secretary General of the United
22 Nations, and the executive heads of other international
23 organizations, certain information concerning United States
24 citizens employed, or being considered for employment by
25 such organizations, \$400,000, *together with not to exceed*

1 \$500,000 of the unobligated balance of funds appropriated
2 for this purpose in the "Supplemental Appropriation Act,
3 1954": *Provided*, That this appropriation shall be available
4 for advances or reimbursements to the applicable ap-
5 propriations or funds of the Civil Service Commission
6 and the Federal Bureau of Investigation for expenses
7 incurred by such agencies under said Executive order:
8 *Provided further*, That members of the International
9 Organizations Employees Loyalty Board may be paid actual
10 transportation expenses, and per diem in lieu of subsistence
11 authorized by the Travel Expense Act of 1949 while travel-
12 ing on official business away from their homes or regular
13 places of business, including periods while en route to and
14 from and at the place where their services are to be per-
15 formed: *Provided further*, That nothing in sections 281 or
16 283 of title 18, United States Code, or in section 190 of
17 the Revised Statutes (5 U. S. C. 99) shall be deemed to
18 apply to any person because of appointment for part-time
19 or intermittent service as a member of the International
20 Organizations Employees Loyalty Board in the Civil Service
21 Commission as established by Executive Order 10422,
22 dated January 9, 1953, as amended.

23 Annuities, Panama Canal construction employees and
24 Lighthouse Service widows: For payment of annuities

1 authorized by the Act of May 29, 1944, as amended (48
2 U. S. C. 1373a), and the Act of August 19, 1950 (64 Stat.
3 465), \$2,354,000.

4 Payment to the civil-service retirement and disability
5 fund for increases in annuities provided by the Act of July
6 16, 1952: For payment to the "civil-service retirement and
7 disability fund" for the cost, as heretofore determined by the
8 Civil Service Commission, of increases in annuities provided
9 by the Act of July 16, 1952 (66 Stat. 723), for the fiscal
10 year 1955, \$29,623,000.

11 FEDERAL COMMUNICATIONS COMMISSION

12 Salaries and expenses: For necessary expenses in per-
13 forming the duties of the Commission as authorized by law,
14 including newspapers (not to exceed \$175), land and
15 structures (not to exceed ~~\$4,000~~ \$48,000), special counsel
16 fees, improvement and care of grounds and repairs to buildings
17 (not to exceed ~~\$16,000~~ \$37,500), services as authorized by
18 section 15 of the Act of August 2, 1946 (5 U. S. C. 55a),
19 purchase of not to exceed nine passenger motor vehicles, for
20 replacement only, in the event adequate vehicles cannot be
21 obtained by transfer from other departments or agencies, and
22 not to exceed \$90,000 for expenses of travel, ~~\$6,544,400~~
23 \$7,294,400, together with not to exceed \$150,000 of the

1 unobligated balance of funds appropriated for this purpose in
2 the "First Independent Offices Appropriation Act, 1954".

3 FEDERAL POWER COMMISSION

4 Salaries and expenses: For expenses necessary for the
5 work of the Commission, as authorized by law, including
6 not to exceed \$220,000 for expenses of travel; purchase
7 (one for replacement only) and hire of passenger motor
8 vehicles; and not to exceed \$500 for newspapers; \$4,150,-
9 000, of which not to exceed \$10,000 shall be avail-
10 able for special counsel and services as authorized by section
11 15 of the Act of August 2, 1946 (5 U. S. C. 55a), but at
12 rates not exceeding \$50 per diem for individuals.

13 FEDERAL TRADE COMMISSION

14 Salaries and expenses: For necessary expenses of the
15 Federal Trade Commission; including not to exceed \$500 for
16 newspapers, services as authorized by section 15 of the Act of
17 August 2, 1946 (5 U. S. C. 55a), and not to exceed \$140,000
18 for expenses of travel, ~~\$4,030,700~~ \$4,100,000: *Provided,*
19 That no part of the foregoing appropriation shall be ex-
20 pended upon any investigation hereafter provided by concur-
21 rent resolution of the Congress until funds are appropriated
22 subsequently to the enactment of such resolution to finance
23 the cost of such investigation: *Provided further,* That no part

1 of the foregoing appropriation shall be available for a statisti-
2 cal analysis of the consumer's dollar.

3 GENERAL ACCOUNTING OFFICE

4 Salaries and expenses: For necessary expenses of the
5 General Accounting Office, including newspapers and peri-
6 odicals (not exceeding \$500), and services as authorized
7 by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a),
8 \$31,981,000: *Provided*, That the fourth paragraph under
9 the heading "General Accounting Office" in Public Law 137,
10 approved August 31, 1951 (65 Stat. 274), as amended by
11 Public Law 455, approved July 5, 1952 (66 Stat. 399), is
12 further amended by changing "four positions in grade GS-18"
13 to "five positions in grade GS-18", and "thirteen positions in
14 grade GS-16" to "twelve positions in grade GS-16".

15 GENERAL SERVICES ADMINISTRATION

16 Operating expenses, Public Buildings Service: For
17 necessary expenses of real property management and related
18 activities as provided by law; repair and improvement of
19 public buildings and grounds (including furnishings and
20 equipment) under the control of the General Services Admin-
21 istration; rental of buildings in the District of Columbia:
22 restoration of leased premises; moving Government agencies
23 in connection with the assignment, allocation, and transfer of
24 building space; demolition of buildings; acquisition by pur-
25 chase or otherwise and disposal by sale or otherwise of real

1 estate and interests therein; and not to exceed \$182,000
2 for expenses of travel; ~~\$94,460,000~~ \$96,460,000: *Provided*,
3 That the foregoing appropriation shall not be available to
4 effect the moving of Government agencies from the Dis-
5 trict of Columbia into buildings acquired to accomplish the
6 dispersal of departmental functions of the executive estab-
7 lishment into areas outside of but accessible to the District
8 of Columbia.

9 Emergency operating expenses: For necessary emer-
10 gency expenses of the General Services Administration
11 not otherwise provided for, for operation, maintenance,
12 protection, repair, alterations, and improvements of public
13 buildings and grounds (including furnishings and equip-
14 ment) to the extent that such buildings and grounds are
15 under the control of the General Services Administration
16 for such purposes as are provided for in Public Law 152,
17 Eighty-first Congress, as amended; rental of buildings or
18 parts thereof in the District of Columbia and elsewhere,
19 including repairs, alterations, and improvements necessary
20 for proper use by the Government, without regard to section
21 322 of the Act of June 30, 1932, as amended (40 U. S. C.
22 278a) ; restoration of leased premises; moving Government
23 agencies in connection with the assignment, allocation, and
24 transfer of building space; and not to exceed \$24,300 for
25 expenses of travel; \$15,647,000: *Provided*, That of this

1 amount, such sums as may be determined by the General
2 Services Administrator to be necessary may be paid into
3 other appropriations of the General Services Administration
4 only for purposes of accounting: *Provided further*, That no
5 part of this appropriation shall be available to effect the
6 moving of Government agencies from the District of Columbia
7 to accomplish the dispersal of departmental functions.

8 Repair, improvement, and equipment of federally owned
9 buildings outside the District of Columbia: For expenses
10 necessary for the repair, alteration, preservation, renovation,
11 improvement, equipment, and demolition of federally owned
12 buildings outside the District of Columbia, not otherwise pro-
13 vided for, including grounds, approaches and appurtenances,
14 wharves and piers, together with the necessary dredging
15 adjacent thereto; acquisition of land as authorized by title
16 III of the Act of June 16, 1949 (40 U. S. C. 297);
17 not to exceed \$100,000 for expenses of travel; and care and
18 safeguarding of sites acquired for Federal buildings; \$12,-
19 000,000, to remain available until expended.

20 *Buildings management fund: For additional working*
21 *capital for the "Buildings management fund", authorized*
22 *by the Act approved July 12, 1952 (66 Stat. 594),*
23 *\$2,000,000, to remain available without fiscal year limitation.*

24 Operating expenses, Federal Supply Service: For neces-
25 sary expenses of personal property management and related

1 activities as provided by law; including not to exceed \$300
2 for the purchase of newspapers and periodicals; and not to
3 exceed \$40,600 for expenses of travel; \$2,600,000.

4 Expenses, general supply fund: For expenses necessary
5 for operation of the general supply fund (except those au-
6 thorized by law to be charged to said fund), including con-
7 tractual services incident to receiving, handling, and shipping
8 warehouse items; not to exceed \$250 for purchase of news-
9 papers and periodicals; and not to exceed \$93,100 for
10 expenses of travel; ~~\$11,066,800~~ \$13,066,800: *Provided,*
11 *That during the current fiscal year the general supply fund*
12 *shall be available for the purchase of not to exceed twelve*
13 *passenger motor vehicles for replacement only and for the*
14 *acquisition of thirteen such vehicles from excesses reported*
15 *by other agencies, or from forfeitures: Provided further,*
16 *That funds available to the General Services Administration*
17 *for the current fiscal year shall be available for the hire of*
18 *passenger motor vehicles.*

19 Operating expenses, National Archives and Records
20 Service: For necessary expenses in connection with Federal
21 records management and related activities as provided by
22 law; and not to exceed \$30,750 for expenses of travel;
23 \$5,000,000, of which \$100,000 shall remain available until
24 expended for nitrate film conversion.

25 Administrative operations: For necessary expenses of

1 executive direction for activities under the control of the
2 General Services Administration, of administrative opera-
3 tions for activities under regular appropriations for "Oper-
4 ating expenses", and of processing and determining rene-
5 gotiation rebates; including not to exceed \$63,600 for
6 expenses of travel; and not to exceed \$250 for purchase
7 of newspapers and periodicals; \$3,789,500.

8 Refunds under Renegotiation Act: For refunds under
9 section 201 (f) of the Renegotiation Act of 1951, the
10 unobligated balance of the appropriations granted under
11 this head for the fiscal years 1952, 1953, and 1954, shall re-
12 main available until June 30, 1956: *Provided*, That to the
13 extent refunds are made from this appropriation of excessive
14 profits collected under the Renegotiation Act and retained by
15 the Reconstruction Finance Corporation, or its successors, or
16 any of its subsidiaries, the Reconstruction Finance Corpora-
17 tion, or its successors, or the appropriate subsidiary shall re-
18 imburse this appropriation.

19 Strategic and critical materials: Funds available for this
20 purpose during the current fiscal year shall be available for
21 personal services (not to exceed \$7,000,000), services as
22 authorized by section 15 of the Act of August 2, 1946
23 (5 U. S. C. 55a), and not to exceed \$139,000 of such funds
24 shall be available for expenses of travel: *Provided*, That any
25 funds received as proceeds from sale or other disposition of

1 materials on account of the rotation of stocks under said Act
2 shall be deposited to the credit, and be available for expendi-
3 ture for the purposes, of this appropriation: *Provided further*,
4 That during the current fiscal year, there shall be no limita-
5 tion on the value of surplus strategic and critical materials
6 which, in accordance with subsection 6 (a) of the Act of
7 July 23, 1946 (50 U. S. C. 98e (a)), may be transferred to
8 stockpiles established in accordance with said Act: *Provided*
9 *further*, That no part of funds available shall be used for
10 construction of warehouses or tank storage facilities.

11 Strategic and critical materials (liquidation of contract
12 authorization) : For liquidation of obligations incurred pur-
13 suant to authority heretofore granted under this head, to
14 enter into contracts for the purpose of the Strategic and
15 Critical Materials Stock Piling Act of July 23, 1946, not
16 to exceed \$27,600,000 may be expended from funds pre-
17 viously appropriated under the title "Strategic and critical
18 materials": *Provided*, That this amount may be disbursed
19 through the appropriation "Strategic and critical materials"
20 but shall be accounted for separately therein.

21 Hospital facilities in the District of Columbia (liquida-
22 tion of contract authorization) : For payment of obligations
23 incurred pursuant to authority provided under the head
24 "Hospital Center, District of Columbia", in the Independent

1 Offices Appropriation Act, 1949, to enter into contracts for
2 construction, \$4,500,000, to remain available until expended:
3 *Provided*, That this amount may be disbursed through the
4 appropriation "Hospital facilities in the District of Columbia",
5 but shall be accounted for separately therein.

6 The appropriate foregoing appropriation to the General
7 Services Administration shall be credited with (1) advances
8 or reimbursements for salaries and administrative expenses
9 chargeable against other appropriations of the General Serv-
10 ices Administration, and such salaries and expenses may be
11 paid from such foregoing appropriation; (2) cost of mainte-
12 nance, upkeep, and repair included as part of rentals received
13 from Government corporations pursuant to law (40 U. S. C.
14 129) ; (3) reimbursements for services performed in respect
15 to bonds and other obligations under the jurisdiction of the
16 General Services Administration, issued by public authorities,
17 States, or other public bodies, and such services in respect to
18 such bonds or obligations as the Administrator deems neces-
19 sary and in the public interest may, upon the request and at
20 the expense of the issuing agencies, be provided from the
21 appropriate foregoing appropriation; and (4) appropriations
22 or funds available to other agencies, and transferred to the
23 General Services Administration, in connection with property
24 transferred to the General Services Administration pursuant
25 to the Act of July 2, 1948 (50 U. S. C. 451ff), and such

1 appropriations or funds may, with the approval of the Bureau
2 of the Budget, be so transferred.

3 During the current fiscal year, no part of any money
4 appropriated in this or any other Act shall be used during
5 any quarter of such fiscal year to purchase within the con-
6 tinental limits of the United States typewriting machines
7 (except bookkeeping and billing machines) at a price which
8 exceeds 90 per centum of the lowest net cash price, plus
9 applicable Federal excise taxes, accorded the most-favored
10 customer (other than the Government, the American
11 National Red Cross, and the purchasers of typewriting ma-
12 chines for educational purposes only) of the manufacturer
13 of such machines during the six-month period immediately
14 preceding such quarter: *Provided*, That the purchase, uti-
15 lization, and disposal of typewriting machines shall be per-
16 formed in accordance with the provisions of the Federal
17 Property and Administrative Services Act of 1949, as
18 amended.

19 HOUSING AND HOME FINANCE AGENCY

20 OFFICE OF THE ADMINISTRATOR

21 Salaries and expenses: For necessary expenses of the
22 Office of the Administrator, including rent in the District of
23 Columbia; services as authorized by section 15 of the Act
24 of August 2, 1946 (5 U. S. C. 55a); not to exceed
25 \$169,325 for expenses of travel; expenses of attendance at

1 meetings of organizations concerned with the work of the
2 agency; and transportation expenses and not to exceed \$25
3 per diem in lieu of subsistence, as authorized by section 5
4 of the Act of August 2, 1946 (5 U. S. C. 73b-2), for
5 persons serving without compensation as members of any
6 advisory committee established pursuant to title VI of the
7 Housing Act of 1949; ~~\$2,668,500~~ \$2,918,500, *including*
8 *\$150,000 for additional costs of establishing and operating a*
9 *central staff for investigation and compliance functions for*
10 *the Housing and Home Finance Agency: Provided, That nec-*
11 *essary expenses of inspections and of providing representa-*
12 *tives at the site of projects being undertaken by local public*
13 *agencies pursuant to title I of the Housing Act of 1949 and*
14 *of projects financed through loans to educational institutions*
15 *authorized by title IV of the Housing Act of 1950, shall*
16 *be compensated by such agencies or institutions by the pay-*
17 *ment of fixed fees which in the aggregate will cover the costs*
18 *of rendering such services, and expenses for such purpose*
19 *shall be considered nonadministrative; and for the purpose*
20 *of providing such inspections, the Administrator may utilize*
21 *any agency and such agency may accept reimbursement or*
22 *payment for such services from such institutions or the Ad-*
23 *ministrator, and shall credit such amounts to the appropria-*

1 tions or funds against which such charges have been made,
2 but such nonadministrative expenses shall not exceed
3 \$500,000.

4 Capital grants for slum clearance and urban redevelop-
5 ment: For an additional amount for payment of capital grants
6 as authorized by title I of the Housing Act of 1949, as
7 amended (42 U. S. C. 1453, 1456), \$39,000,000, to remain
8 available until expended: *Provided*, That no funds in this
9 Act shall be available for payment of capital grants under any
10 contract involving the development or redevelopment of a
11 project for predominantly residential uses where incidental
12 uses are not restricted to those normally essential for resi-
13 dential uses: *Provided further*, That before approving
14 any local slum clearance program under title I of the
15 Housing Act of 1949, the Administrator shall give considera-
16 tion to the efforts of the locality to enforce local codes and
17 regulations relating to adequate standards of health, sanita-
18 tion, and safety for dwellings and to the feasibility of achiev-
19 ing slum clearance objectives through rehabilitation of
20 existing dwellings and areas: *Provided further*, That the
21 authority under title I of the National Housing Act shall be
22 used to the utmost in connection with slum rehabilitation
23 needs.

1 PUBLIC HOUSING ADMINISTRATION

2 Administrative expenses: For administrative expenses
3 of the Public Housing Administration, \$6,950,000, to be
4 merged with and expended under the authorization for such
5 expenses contained in title II of this Act.

6 Annual contributions: For the payment of annual con-
7 tributions to public housing agencies in accordance with
8 section 10 of the United States Housing Act of 1937, as
9 amended (42 U. S. C. 1410), \$63,950,000.

10 REDUCTION IN APPROPRIATIONS

11 Defense housing: The sum of \$4,500,000 of funds
12 heretofore appropriated under this head is hereby rescinded,
13 and such amount shall be covered into the Treasury promptly
14 upon enactment of this Act: *Provided*, That the amount
15 hereby rescinded may be reduced by an amount determined
16 by the Administrator to be required as a reserve for over-
17 runs and contingencies in connection with projects hereto-
18 fore assigned for construction pursuant to Public Law 139
19 (Eighty-second Congress).

20 INDIAN CLAIMS COMMISSION

21 Salaries and expenses: For expenses necessary to carry
22 out the purposes of Act of August 13, 1946 (25 U. S. C.
23 70), creating an Indian Claims Commission, \$117,000, of
24 which not to exceed \$3,560 shall be available for expenses
25 of travel.

INTERSTATE COMMERCE COMMISSION

General expenses: For necessary expenses of the Interstate Commerce Commission not otherwise provided for, including not to exceed \$5,000 for employment of special counsel; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), at rates not to exceed \$50 per diem for individuals; newspapers (not to exceed \$200); purchase of not to exceed twenty passenger motor vehicles for replacement only; and not to exceed \$260,000 for expenses of travel; \$9,816,000, of which \$100,000 shall be available for valuations of pipelines and \$1,100,000 shall be available for the Section of Complaints, Bureau of Motor Carriers: *Provided*, That Joint Board members and cooperating State commissioners may use Government transportation requests when traveling in connection with their duties as such.

Defense transport activities: For expenses necessary to enable the Commissioner ~~who is responsible for the supervision of the Bureau of Service to carry out functions delegated to him under the Defense Production Act of 1950, as amended of the Interstate Commerce Commission who has been delegated functions under the Defense Production Act of 1950, as amended, to carry out such functions,~~ including expenses of attendance at meetings concerned with the purposes of this appropriation, \$170,000.

1 Railroad safety and locomotive inspection: For expenses
2 necessary in the performance of functions relating to railroad
3 inspection and safety, including not to exceed \$290,000 for
4 expenses of travel, \$1,684,000.

5 *Railroad safety: For expenses necessary in performing*
6 *functions authorized by law (45 U. S. C. 1-15, 17-21,*
7 *35-46, 61-64; 49 U. S. C. 26) to insure a maximum of*
8 *safety in the operation of railroads, including authority to*
9 *investigate, test experimentally, and report on the use and*
10 *need of any appliances or systems intended to promote the*
11 *safety of railway operation, including those pertaining to*
12 *block-signal and train-control systems, as authorized by the*
13 *joint resolution approved June 30, 1906, and the Sundry*
14 *Civil Act of May 27, 1908 (45 U. S. C. 35-37), and to*
15 *require carriers by railroad subject to the Act to install auto-*
16 *matic train-stop or train-control devices as prescribed by the*
17 *Commission (49 U. S. C. 26), including the employment*
18 *of inspectors and engineers, and including not to exceed*
19 *\$163,050 for expenses of travel, \$974,500.*

20 *Locomotive inspection: For expenses necessary in the*
21 *enforcement of the Act of February 17, 1911, entitled "An*
22 *Act to promote the safety of employees and travelers upon*
23 *railroads by compelling common carriers engaged in inter-*
24 *state commerce to equip their locomotives with safe and*
25 *suitable boilers and appurtenances thereto", as amended (45*

1 *U. S. C. 22-34), including not to exceed \$112,620 for ex-*
2 *penses of travel, \$709,500.*

3 INTERSTATE COMMISSION ON THE POTOMAC
4 RIVER BASIN

5 Contribution to Interstate Commission on the Potomac
6 River Basin: To enable the Secretary of the Treasury to
7 pay in advance to the Interstate Commission on the Po-
8 tomac River Basin the Federal contribution toward the ex-
9 penses of the Commission during the current fiscal year in
10 the administration of its business in the conservancy district
11 established pursuant to the Act of July 11, 1940 (54 Stat.
12 748), \$5,000.

13 NATIONAL ADVISORY COMMITTEE FOR
14 AERONAUTICS

15 Salaries and expenses: For necessary expenses of the
16 Committee, including one Director at not to exceed \$17,500
17 per annum so long as the position is held by the present
18 incumbent; contracts for the making of special investigations
19 and reports and for engineering, drafting and computing
20 services; equipment; not to exceed \$310,000 for expenses
21 of travel; maintenance and operation of aircraft; purchase
22 of two passenger motor vehicles for replacement only; not
23 to exceed \$100 for newspapers and periodicals; and services
24 as authorized by section 15 of the Act of August 2, 1946

1 (5 U. S. C. 55a) ; ~~\$49,000,000~~ \$52,107,750, together with
 2 not to exceed \$1,000,000 of the unobligated balance of funds
 3 appropriated for this purpose in the "First Independent
 4 Offices Appropriation Act, 1954".

5 Construction and equipment: For construction and
 6 equipment at laboratories and research stations of the Com-
 7 mittee, ~~\$4,349,000~~ \$4,620,000, to remain available until
 8 expended.

9 NATIONAL CAPITAL HOUSING AUTHORITY

10 Maintenance and operation of properties: For the main-
 11 tenance and operation of properties under title I of the Dis-
 12 trict of Columbia Alley Dwelling Authority Act, \$43,000:
 13 *Provided*, That all receipts derived from sales, leases, or
 14 other sources shall be covered into the Treasury of the United
 15 States monthly: *Provided further*, That so long as funds are
 16 available from appropriations for the foregoing purposes, the
 17 provisions of section 507 of the Housing Act of 1950 (Public
 18 Law 475, Eighty-first Congress), shall not be effective.

19 NATIONAL CAPITAL PLANNING COMMISSION

20 Salaries and expenses: For necessary expenses, as
 21 authorized by the National Capital Planning Act of 1952
 22 (66 Stat. 781), including services as authorized by section
 23 15 of the Act of August 2, 1946 (5 U. S. C. 55a) ; not to
 24 exceed \$100 for the purchase of newspapers and periodicals;

1 not to exceed \$6,000 for expenses of travel; payment in
2 advance for membership in societies whose publications
3 or services are available to members only or to members
4 at a price lower than to the general public; purchase
5 of one passenger motor vehicle for replacement only; and
6 transportation and not to exceed \$15 per diem in lieu of
7 subsistence, as authorized by section 5 of the Act of August
8 2, 1946 (5 U. S. C. 73b-2), for members of the Commis-
9 sion serving without compensation; \$143,000.

10 Land acquisition, National Capital park, parkway, and
11 playground system: Under authority of the Act of May 29,
12 1930 (46 Stat. 482), as amended, for necessary expenses for
13 the National Capital Planning Commission for acquisition of
14 land for the park, parkway, and playground system of the Na-
15 tional Capital, to remain available until expended, \$545,000,
16 of which (a) \$135,000 shall be available for the purposes of
17 section 1 (a) of said Act of May 29, 1930, (b) \$126,000 shall be
18 available for the purposes of section 1 (b) thereof, and (c)
19 \$284,000 shall be available for the purposes of section 4
20 thereof: *Provided*, That not exceeding \$26,450 of the funds
21 available for land acquisition purposes shall be used during
22 the current fiscal year for necessary expenses of the Com-
23 mission (other than payments for land) in connection with
24 land acquisition.

1 NATIONAL SCIENCE FOUNDATION

2 Salaries and expenses: For expenses necessary to carry
3 out the purposes of the National Science Foundation Act
4 of 1950, as amended (42 U. S. C. 1861-1875), including
5 award of graduate fellowships; services as authorized by
6 section 15 of the Act of August 2, 1946 (5 U. S. C. 55a),
7 at rates not to exceed \$50 per diem for individuals; hire
8 of passenger motor vehicles; not to exceed ~~\$89,500~~ \$116,000
9 for expenses of travel; not to exceed \$150 for the purchase
10 of newspapers and periodicals; and reimbursement of the
11 General Services Administration for security guard services;
12 ~~\$11,000,000~~ \$14,000,000, to remain available until
13 expended.

14 RENEGOTIATION BOARD

15 Salaries and expenses: For necessary expenses of the
16 Renegotiation Board, including expenses of attendance at
17 meetings concerned with the purposes of this appropriation;
18 hire of passenger motor vehicles; not to exceed \$108,-
19 000 for expenses of travel; and services as authorized
20 by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a),
21 at rates not to exceed \$50 per diem for individuals;
22 \$4,500,000.

23 SECURITIES AND EXCHANGE COMMISSION

24 Salaries and expenses: For necessary expenses, includ-
25 ing not to exceed \$500 for the purchase of newspapers; not

1 to exceed \$125,000 for expenses of travel; and services as
2 authorized by section 15 of the Act of August 2, 1946
3 (5 U. S. C. 55a) ; ~~\$4,700,000~~ \$4,775,000.

4 SELECTIVE SERVICE SYSTEM

5 Salaries and expenses: For expenses necessary for the
6 operation and maintenance of the Selective Service System,
7 as authorized by title I of the Universal Military Training
8 and Service Act (62 Stat. 604), as amended, including
9 services as authorized by section 15 of the Act of August 2,
10 1946 (5 U. S. C. 55a) ; not to exceed \$250 for the purchase
11 of newspapers and periodicals; not to exceed \$75,000 for ex-
12 penses of travel, National Administration, Planning, Training,
13 and Records Management; not to exceed \$190,000 for ex-
14 penses of travel, State Administration, Planning, Training,
15 and Records Servicing; \$92,500 for the National Selective
16 Service Appeal Board, of which not to exceed \$3,875 shall
17 be available for expenses of travel; and \$205,000 for the
18 National Advisory Committee on the Selection of Doctors,
19 Dentists, and Allied Specialists, of which not to exceed
20 \$30,000 shall be available for expenses of travel; \$29,-
21 003,063: *Provided*, That during the current fiscal year, the
22 President may exempt this appropriation from the provisions
23 of subsection (c) of section 3679 of the Revised Statutes,
24 as amended, whenever he deems such action to be necessary
25 in the interest of national defense.

1 Appropriations for the Selective Service System may
2 be used for the destruction of records accumulated under the
3 Selective Training and Service Act of 1940, as amended,
4 which are hereby authorized to be destroyed by the Director
5 of Selective Service after compliance with the procedures
6 for the destruction of records prescribed pursuant to the Rec-
7 ords Disposal Act of 1943, as amended (44 U. S. C. 366-
8 380) : *Provided*, That no records may be transferred to any
9 other agency without the approval of the Director of Selec-
10 tive Service.

11 SMALL BUSINESS ADMINISTRATION

12 Salaries and expenses: For necessary expenses, not
13 otherwise provided for, of the Small Business Administration,
14 including newspapers and periodicals (not exceeding \$500),
15 expenses of attendance at meetings concerned with the pur-
16 poses of this appropriation and hire of passenger motor
17 vehicles, ~~\$2,025,000~~ \$2,575,000, together with not to exceed
18 \$100,000 of the unobligated balance of funds appropriated for
19 this purpose in the Supplemental Appropriation Act, 1954;
20 and in addition, not to exceed ~~\$1,650,000~~ \$2,500,000, may
21 be transferred to this appropriation from the Revolving Fund,
22 Small Business Administration, for administrative expenses in
23 connection with activities financed under said Fund.

1 REVOLVING FUND, SMALL BUSINESS ADMINISTRATION

2 *For additional capital for the Revolving Fund author-*
3 *ized by the Small Business Act of 1953, to be available*
4 *without fiscal year limitation, \$25,000,000.*

5 REVOLVING FUND, SMALL DEFENSE PLANTS

6 ADMINISTRATION

7 The Revolving Fund authorized by paragraph (2) of
8 subsection (a) of section 714 of the Defense Production
9 Act of 1950, as amended, shall remain available during the
10 fiscal year 1955 for payment of obligations and direct costs
11 under contracts entered into during the fiscal year 1953.

12 SMITHSONIAN INSTITUTION

13 Salaries and expenses, Smithsonian Institution: For all
14 necessary expenses for the preservation, exhibition, and
15 increase of collections from the surveying and exploring
16 expeditions of the Government and from other sources; for
17 the system of international exchanges between the United
18 States and foreign countries; for anthropological researches
19 among the American Indians and the natives of lands under
20 the jurisdiction or protection of the United States, independ-
21 ently or in cooperation with State, educational, and scientific
22 organizations in the United States, and the excavation and
23 preservation of archeological remains; for maintenance of

1 the Astrophysical Observatory and making necessary obser-
2 vations in high altitudes; for the administration of the
3 National Collection of Fine Arts; for the administration,
4 construction, and maintenance of laboratory and other
5 facilities on Barro Colorado Island, Canal Zone, under the
6 provisions of the Act of July 2, 1940, as amended by the
7 provisions of Reorganization Plan Numbered 3 of 1946; for
8 the maintenance and administration of a national air museum
9 as authorized by the Act of August 12, 1946 (20 U. S. C.
10 77) ; including not to exceed \$35,000 for services as author-
11 ized by section 15 of the Act of August 2, 1946 (5 U. S. C.
12 55a) ; not to exceed \$15,225 for expenses of travel; pur-
13 chase, repair, and cleaning of uniforms for guards and
14 elevator conductors; repairs and alterations of buildings
15 and approaches; and preparation of manuscripts, drawings,
16 and illustrations for publications; \$3,000,000.

17 Salaries and expenses, National Gallery of Art: For
18 the upkeep and operation of the National Gallery of Art,
19 the protection and care of the works of art therein, and
20 administrative expenses incident thereto, as authorized by
21 the Act of March 24, 1937 (50 Stat. 51), as amended by
22 the public resolution of April 13, 1939 (Public Resolution
23 9, Seventy-sixth Congress), including services as author-
24 ized by section 15 of the Act of August 2, 1946 (5 U. S. C.

1 55a) ; payment in advance when authorized by the treas-
 2 urer of the Gallery for membership in library, museum, and
 3 art associations or societies whose publications or services
 4 are available to members only, or to members at a price
 5 lower than to the general public; purchase, repair, and
 6 cleaning of uniforms for guards and elevator operators;
 7 purchase or rental of devices and services for protecting
 8 buildings and contents thereof, and maintenance and repair
 9 of buildings, approaches, and grounds; purchase of one pas-
 10 senger motor vehicle, for replacement only; not to exceed
 11 \$1,800 for expenses of travel; and not to exceed \$15,000
 12 for restoration and repair of works of art for the National
 13 Gallery of Art by contracts made, without advertising, with
 14 individuals, firms, or organizations at such rates or prices
 15 and under such terms and conditions as the Gallery may
 16 deem proper; \$1,300,000.

17 SUBVERSIVE ACTIVITIES CONTROL BOARD

18 Salaries and expenses: For necessary expenses of the
 19 Subversive Activities Control Board, including services as
 20 authorized by section 15 of the Act of August 2, 1946 (5
 21 U. S. C. 55a) , not to exceed \$12,500 for expenses of travel,
 22 and not to exceed \$100 for the purchase of newspapers and
 23 periodicals, ~~\$150,000~~ \$185,000, together with not to exceed
 24 ~~\$81,000~~ \$115,000 of the unobligated balance of funds ap-

1 appropriated for this purpose in the "First Independent Offices
2 Appropriation Act, 1954" and "*The Supplemental Approp-*
3 *riation Act, 1954*".

4 TARIFF COMMISSION

5 Salaries and expenses: For necessary expenses of the
6 Tariff Commission, including subscriptions to newspapers
7 (not to exceed \$200), not to exceed \$13,500 for expenses
8 of travel, and contract stenographic reporting services as
9 authorized by section 15 of the Act of August 2, 1946
10 (5 U. S. C. 55a), ~~\$1,250,000~~ \$1,327,000: *Provided*, That
11 no part of this appropriation shall be used to pay the salary
12 of any member of the Tariff Commission who shall here-
13 after participate in any proceedings under sections 336,
14 337, and 338 of the Tariff Act of 1930, wherein he or any
15 member of his family has any special, direct, and pecuniary
16 interest, or in which he has acted as attorney or special
17 representative: ~~*Provided further*~~, That no part of the fore-
18 going appropriation shall be used for making any special
19 study, investigation or report at the request of any other
20 agency of the executive branch of the government unless
21 reimbursement is made for the cost thereof.

22 TENNESSEE VALLEY AUTHORITY

23 For the purpose of carrying out the provisions of the
24 Tennessee Valley Authority Act of 1933, as amended (16
25 U. S. C., ch. 12A), including purchase (not to exceed one)

1 and hire, maintenance, and operation of aircraft, and
2 purchase (not to exceed ~~one hundred~~ *two hundred*
3 *and eleven* for replacement only) and hire of passen-
4 ger motor vehicles, ~~\$102,582,000~~ *\$129,582,000*, to re-
5 main available until expended, and to be available for
6 the payment of obligations chargeable against prior appro-
7 priations: *Provided*, That no funds appropriated for the
8 Tennessee Valley Authority by this paragraph shall be used
9 for the maintenance or operation of any aircraft for passenger
10 service that is not specifically confined to the active opera-
11 tion of the official business of the Tennessee Valley Authority
12 by officers or employees of such Authority, and not to exceed
13 \$673,000 (exclusive of travel for work in connection with
14 the construction of transmission lines, dams, and steam
15 plants) of funds available to the Tennessee Valley Au-
16 thority shall be used for expenses of travel: *Provided*
17 *further*, That no part of funds available for expenditure by
18 this agency shall be used, directly or indirectly, to acquire
19 a building for use as an administrative office of the Tennessee
20 Valley Authority unless and until the Director of the Bu-
21 reau of the Budget, following a study of the advisability of
22 the proposed acquisition, shall advise the Committees on
23 Appropriations of the Senate and the House of Representa-
24 tives and the Tennessee Valley Authority that the acquisition
25 has his approval: *Provided further*, That there shall be avail-

1 able for resource development activities pursuant to the
 2 Tennessee Valley Authority Act of 1933, as amended, not
 3 to exceed ~~\$600,000~~ *\$1,200,000 to be, of which \$600,000*
 4 *shall be derived from this appropriation and \$600,000 shall*
 5 *be derived from proceeds of operations of the Tennessee*
 6 *Valley Authority.*

7 THE TAX COURT OF THE UNITED STATES

8 Salaries and expenses: For necessary expenses, includ-
 9 ing contract stenographic reporting services and not to
 10 exceed \$45,000 for travel expenses, \$1,000,000: *Provided,*
 11 *That travel expenses of the judges shall be paid upon the*
 12 *written certificate of the judge.*

13 VETERANS ADMINISTRATION

14 General operating expenses: For necessary operating
 15 expenses of the Veterans Administration, not otherwise pro-
 16 vided for, including expenses incidental to securing employ-
 17 ment for war veterans; purchase of fifteen passenger motor
 18 vehicles for replacement only; not to exceed \$6,000 for
 19 newspapers and periodicals; not to exceed ~~\$2,690,000~~
 20 *\$3,144,000* for expenses of travel of employees; and not
 21 to exceed \$43,700 for preparation, shipment, installation,
 22 and display of exhibits, photographic displays, moving pic-
 23 tures, and other visual educational information and descrip-
 24 tive material, including purchase or rental of equipment;
 25 ~~\$163,922,300~~ *\$171,876,300: Provided, That no part of*

1 this appropriation shall be used to pay in excess of fifteen
2 persons engaged in public relations work: *Provided further,*
3 That no part of any appropriation shall be used to pay educa-
4 tional institutions for reports and certifications of attendance
5 at such institutions an allowance at a rate in excess of \$1 per
6 month for each eligible veteran enrolled in and attending such
7 institution.

8 Medical administration and miscellaneous operating
9 expenses: For expenses necessary for administration of the
10 medical, hospital, domiciliary, special service, construction
11 and supply, research, and employee education and training
12 activities; expenses necessary for carrying out programs of
13 medical research and of education and training of employees,
14 as authorized by law; and not to exceed \$834,388 for ex-
15 penses of travel of employees paid from this appropriation;
16 \$14,654,000.

17 Inpatient care: For expenses necessary for the main-
18 tenance and operation of hospitals and domiciliary facilities
19 and for the care and treatment of beneficiaries of the Veterans
20 Administration in facilities not under the jurisdiction of the
21 Veterans Administration as authorized by law, including
22 the furnishing of recreational articles and facilities; main-
23 tenance and operation of farms; repairing, altering, improv-
24 ing or providing facilities in the several hospitals and homes
25 under the jurisdiction of the Veterans Administration, not

1 otherwise provided for, either by contract, or by the hire
2 of temporary employees and purchase of materials; purchase
3 of ~~fifty~~ *seventy* passenger motor vehicles for replacement only;
4 not to exceed \$315,000 for expenses of travel of employees;
5 and aid to State or Territorial homes in conformity with the
6 Act approved August 27, 1888, as amended (24 U. S. C.
7 134) for the support of veterans eligible for admission to
8 Veterans Administration facilities for hospital or domiciliary
9 care; \$598,127,000, including the sum of \$7,134,500 for
10 reimbursable services performed for other Government agen-
11 cies and individuals: *Provided*, That allotments and transfers
12 may be made from this appropriation to the Department of
13 Health, Education, and Welfare (Public Health Service),
14 the Army, Navy, Air Force, and Interior Departments, for
15 disbursement by them under the various headings of their
16 applicable appropriations, of such amounts as are necessary
17 for the care and treatment of beneficiaries of the Veterans
18 Administration: *Provided further*, That the foregoing appro-
19 priation is predicated on furnishing inpatient care and treat-
20 ment to an average of 127,000 beneficiaries during the fiscal
21 year 1955, excluding members in State or Territorial homes,
22 and if a lesser number is experienced such appropriation
23 shall be expended only in proportion to the average number
24 of beneficiaries furnished such care and treatment.

25 Outpatient care: For expenses necessary for furnishing

1 outpatient care to beneficiaries of the Veterans Administra-
2 tion, as authorized by law, including not to exceed \$178,000
3 for expenses of travel of employees; ~~\$76,744,000~~ \$86,744,-
4 000, of which not exceeding \$15,810,000 shall be available
5 for outpatient fee basis dental care.

6 Maintenance and operation of supply depots: For ex-
7 penses necessary for maintenance and operation of supply
8 depots, including not to exceed \$4,400 for expenses of travel
9 of employees, and purchase of two passenger motor vehicles
10 for replacement only, \$1,654,000.

11 Compensation and pensions: For the payment of com-
12 pensation, pensions, gratuities, and allowances (including
13 burial awards authorized by Veterans Administration Regu-
14 lation Numbered 9 (a), as amended, and subsistence allow-
15 ances authorized by part VII of Veterans Regulation 1a, as
16 amended), authorized under any Act of Congress, or regu-
17 lation of the President based thereon, including emergency
18 officers' retirement pay and annuities, the administration
19 of which is now or may hereafter be placed in the Veterans
20 Administration, and for the payment of adjusted-service
21 credits as provided in sections 401 and 601 of the Act of May
22 19, 1924, as amended (38 U. S. C. 631 and 661),
23 \$2,435,000,000, to be immediately available and to remain
24 available until expended.

25 Readjustment benefits: For the payment of benefits to

1 or on behalf of veterans as authorized by titles II, III, and
2 V, of the Servicemen's Readjustment Act of 1944, as
3 amended, and title II of the Veterans Readjustment Assist-
4 ance Act of 1952, and for supplies, equipment, and tuition
5 authorized by part VII and payments authorized by part IX
6 of Veterans Administration Regulation Numbered 1 (a), as
7 amended, \$387,000,000, together with the unexpended
8 balance as of June 30, 1954, remaining in the appropriation
9 for "Veterans miscellaneous benefits" to be immediately
10 available and to remain available until expended: *Provided*,
11 That no part of any appropriation to the Veterans Administra-
12 tion shall be available, in connection with any loan authorized
13 by title III of the Servicemen's Readjustment Act of 1944, as
14 amended (38 U. S. C. 694-694n), for payment to the
15 lender by the Administrator of Veterans Affairs, or for
16 credit on the loan, of an amount equivalent to 4 per centum
17 of the amount originally loaned, guaranteed or insured by
18 the Veterans Administration: *Provided further*, That no
19 right to any such payment shall accrue after Septem-
20 ber 1, 1953, but the foregoing proviso shall not
21 apply with respect to payments based on guarantees
22 made, or certificates of commitments issued, prior to said
23 date or commitments for loans made by the Veterans
24 Administration.

1 Military and naval insurance: For military and naval
2 insurance, \$4,932,000, to remain available until expended.

3 Hospital and domiciliary facilities: For hospital and
4 domiciliary facilities, for planning and for extending, with
5 the approval of the President, any of the facilities under the
6 jurisdiction of the Veterans Administration or for any of the
7 purposes set forth in sections 1 and 2 of the Act approved
8 March 4, 1931 (38 U. S. C. 438j-k) or in section 101 of the
9 Servicemen's Readjustment Act of 1944 (38 U. S. C. 693a),
10 to remain available until expended, ~~\$39,000,000~~ \$47,000,000:

11 *Provided*, That notwithstanding any other provisions of exist-
12 ing law the Veterans Administration is authorized to advance
13 not to exceed \$2,000,000 from construction funds previously
14 appropriated, to the city of Cleveland, Ohio, for the con-
15 struction or extension of necessary water facilities to the site
16 of the proposed Veterans Administration hospital, this
17 amount to be repaid by the city of Cleveland in cash or water
18 over a period of years as determined by the Veterans Admin-
19 istration and the city of Cleveland.

20 National service life insurance: For the payment of
21 benefits and for transfer to the national service life insurance
22 fund, in accordance with the National Service Life Insurance
23 Act of 1940, as amended, \$30,570,000, to remain available

1 until expended: *Provided*, That certain premiums shall be
2 credited to this appropriation as provided by the Act.

3 Servicemen's indemnities: For payment of liabilities
4 under the Servicemen's Indemnity Act of 1951, \$30,000,000,
5 to remain available until expended.

6 Grants to the Republic of the Philippines: For pay-
7 ment to the Republic of the Philippines of grants in accord-
8 ance with the Act of July 1, 1948 (50 U. S. C. App. 1991-
9 1996), for expenses incident to medical care and treatment
10 of veterans, \$1,564,000.

11 Major alterations, improvements, and repairs: For all
12 necessary expenses of major alterations, improvements, and
13 repairs to regional offices, supply depots, and hospital and
14 domiciliary facilities, ~~\$3,400,000~~ \$3,480,000, to remain
15 available until expended: *Provided*, That no part of the fore-
16 going appropriation shall be used to commence any major
17 alteration, improvement, or repair unless funds are available
18 for the completion of such work; and no funds shall be used
19 for such work at any facility if the Veterans Administration
20 is reasonably certain that the installation will be abandoned
21 in the near future.

22 Not to exceed 5 per centum of any appropriation for the
23 current fiscal year for "Compensation and pensions", "Re-
24 adjustment benefits", "Military and naval insurance",
25 "National service life insurance", and "Servicemen's

1 indemnities", may be transferred, to any other of the men-
2 tioned appropriations, but not to exceed 10 per centum of
3 the appropriation so augmented.

4 Appropriations available to the Veterans Administration
5 for the current fiscal year for salaries and expenses shall be
6 available for services as authorized by section 15 of the Act
7 of August 2, 1946 (5 U. S. C. 55a).

8 Appropriations available to the Veterans Administra-
9 tion for the current fiscal year for "Inpatient care"
10 and "Outpatient care" shall be available for funeral,
11 burial, and other expenses incidental thereto (except
12 burial awards authorized by Veterans Administration Regu-
13 lation Numbered 9 (a), as amended), for beneficiaries
14 of the Veterans Administration receiving care under
15 such appropriations.

16 No part of the appropriations in this Act for the Veterans
17 Administration (except the appropriation for "Hospital and
18 domiciliary facilities") shall be available for the purchase of
19 any site for or toward the construction of any new hospital
20 or home.

21 No part of the foregoing appropriations shall be avail-
22 able for hospitalization or examination of any persons except
23 beneficiaries entitled under the laws bestowing such benefits
24 to veterans, unless reimbursement of cost is made to the

1 appropriation at such rates as may be fixed by the Adminis-
2 trator of Veterans Affairs.

3 REDUCTIONS IN APPROPRIATIONS

4 The appropriation heretofore granted for "Soldiers'
5 and sailors' civil relief" is hereby reduced by the sum of
6 \$500,000, and said amount shall be carried to the surplus
7 of the Treasury.

8 The appropriations heretofore granted for "Vocational
9 rehabilitation revolving fund (Act of Mar. 24, 1943)", are
10 hereby reduced by the sum of \$400,000, and said amount
11 shall be carried to the surplus of the Treasury.

12 WAR CLAIMS COMMISSION

13 PAYMENT OF CLAIMS

14 For payment of claims, as authorized by the War Claims
15 Act of 1948, as amended, from funds deposited in the
16 Treasury to the credit of the war claims fund created by
17 section 13 (a) of said Act, such sums as may be necessary,
18 to be available to the Secretary of the Treasury for payment
19 of claims under sections 4 (a), 4 (b) (2), 5 (a) through
20 (e), 6, and 7 of said Act to the payees named and in the
21 amounts stated in certifications by the War Claims Com-
22 mission and the Secretary of Labor or their duly authorized
23 representatives, which certifications shall be in lieu of any
24 vouchers which might otherwise be required: *Provided,*
25 That this appropriation shall not be available for admin-

1 istrative expenses: *Provided further*, That no claims shall be
2 allowed or paid under the provisions of said War Claims
3 Act of 1948 from any funds other than those covered into
4 the Treasury pursuant to the provisions of section 39 of the
5 Trading With the Enemy Act of October 6, 1917, as
6 amended, as provided by section 13 (a) of said War Claims
7 Act of 1948.

8 ADMINISTRATIVE EXPENSES

9 For expenses necessary to complete the activities of
10 the War Claims Commission, including services as authorized
11 by section 15 of the Act of August 2, 1946 (5 U. S. C.
12 55a) ; expenses of attendance at meetings concerned with
13 the purposes of this appropriation; not to exceed \$4,000 for
14 expenses of travel; and advances or reimbursements to other
15 Government agencies for use of their facilities and services
16 in carrying out the functions of the Commission; \$515,000,
17 to be derived only from the war claims fund created by
18 section 13 (a) of the War Claims Act of 1948 (Public
19 Law 896, approved July 3, 1948) and not to be available
20 for obligation after March 31, 1955.

21 INDEPENDENT OFFICES—GENERAL PROVISIONS

22 SEC. 102. Where appropriations in this title are expend-
23 able for travel expenses of employees and no specific limita-
24 tion has been placed thereon, the expenditures for such
25 travel expenses may not exceed the amount set forth therefor

1 in the budget estimates submitted for the appropriations:
2 *Provided*, That this section shall not apply to travel per-
3 formed by uncompensated officials of local boards and appeal
4 boards of the Selective Service System.

5 SEC. 103. Where appropriations in this title are ex-
6 pendable for the purchase of newspapers and periodicals and
7 no specific limitation has been placed thereon, the expendi-
8 tures therefor under each such appropriation may not exceed
9 the amount of \$50: *Provided*, That this limitation shall not
10 apply to the purchase of scientific, technical, trade, or traffic
11 periodicals necessary in connection with the performance of
12 the authorized functions of the agencies for which funds are
13 herein provided.

14 SEC. 104. No part of any appropriation contained in
15 this title shall be available to pay the salary of any person
16 filling a position, other than a temporary position, formerly
17 held by an employee who has left to enter the Armed Forces
18 of the United States and has satisfactorily completed his
19 period of active military or naval service and has within
20 ninety days after his release from such service or from hos-
21 pitalization continuing after discharge for a period of not more
22 than one year made application for restoration to his former
23 position and has been certified by the Civil Service Commis-
24 sion as still qualified to perform the duties of his former
25 position and has not been restored thereto.

1 SEC. 105. Appropriations contained in this title, avail-
2 able for expenses of travel shall be available, when specifi-
3 cally authorized by the head of the activity or establishment
4 concerned, for expenses of attendance at meetings of organi-
5 zations concerned with the function or activity for which the
6 appropriation concerned is made.

7 SEC. 106. No part of any appropriations made available
8 by the provisions of this title shall be used for the purchase
9 or sale of real estate or for the purpose of establishing new
10 offices outside the District of Columbia: *Provided*, That
11 this limitation shall not apply to programs which have been
12 approved by the Congress and appropriations made therefor.

13 SEC. 107. No part of any appropriation contained in
14 this title shall be used to pay the compensation of any em-
15 ployee engaged in personnel work in excess of the number
16 that would be provided by a ratio of one such employee to
17 one hundred and thirty-five, or a part thereof, full-time,
18 part-time, and intermittent employees of the agency con-
19 cerned: *Provided*, That for purposes of this section employees
20 shall be considered as engaged in personnel work if they
21 spend half time or more in personnel administration con-
22 sisting of direction and administration of the personnel
23 program; employment, placement, and separation; job
24 evaluation and classification; employee relations and services;

1 training; wage administration; and processing, recording,
2 and reporting.

3 SEC. 108. None of the sections under the head "Inde-
4 pendent Offices, General Provisions" in this title shall apply
5 to the Housing and Home Finance Agency or the Tennessee
6 Valley Authority.

7 TITLE II—CORPORATIONS

8 The following corporations and agencies, respectively.
9 are hereby authorized to make such expenditures, within the
10 limits of funds and borrowing authority available to each such
11 corporation or agency and in accord with law, and to make
12 such contracts and commitments without regard to fiscal year
13 limitations as provided by section 104 of the Government
14 Corporation Control Act, as amended, as may be necessary
15 in carrying out the programs set forth in the Budget for the
16 fiscal year 1955 for each such corporation or agency, except
17 as hereinafter provided:

18 HOUSING AND HOME FINANCE AGENCY

19 Federal National Mortgage Association: Not to exceed
20 \$3,238,000 shall be available for administrative ex-
21 penses, which shall be on an accrual basis, and shall
22 be exclusive of interest paid, depreciation, properly capital-
23 ized expenditures, fees for servicing mortgages, expenses
24 (including services performed on a force account, contract,
25 or fee basis, but not including other personal services) in

1 connection with the acquisition, protection, operation, main-
2 tenance, improvement, or disposition of real or personal
3 property belonging to said Association or in which it has an
4 interest, cost of salaries, wages, travel, and other expenses
5 of persons employed outside of the continental United States,
6 expenses of services performed on a contract or fee basis in
7 connection with the performance of legal services, and all
8 administrative expenses reimbursable from other Government
9 agencies; and said Association may utilize and may make
10 payment for services and facilities of the Federal Reserve
11 banks and other agencies of the Government: *Provided*, That
12 the distribution of administrative expenses to the accounts
13 of the Association shall be made in accordance with generally
14 recognized accounting principles and practices: *Provided*
15 *further*, That not to exceed \$87,750 shall be available for
16 expenses of travel: *Provided further*, That administrative
17 expenses not under limitation for the purposes set forth in
18 the budget schedules for the fiscal year 1955 shall not exceed
19 \$150,000.

20 Office of the Administrator, housing loans to educational
21 institutions: Not to exceed \$375,000 shall be available for all
22 administrative expenses, which shall be on an accrual basis, of
23 carrying out the functions of the Office of the Administrator
24 under the program of housing loans to educational institutions
25 (title IV of the Housing Act of 1950, 12 U. S. C. 1749–

1 1749d), but this amount shall be exclusive of payment for
2 services and facilities of the Federal Reserve banks or
3 any member thereof, the Federal home-loan banks,
4 and any insured bank within the meaning of the Act creating
5 the Federal Deposit Insurance Corporation (Act of August
6 23, 1935, as amended, 12 U. S. C. 264) which has been
7 designated by the Secretary of the Treasury as a depository
8 of public money of the United States: *Provided*, That not
9 to exceed \$19,000 shall be available for expenses of travel.

10 Office of the Administrator, revolving fund (liquidating
11 programs) : There is established as of June 30, 1954, a re-
12 volving fund, and the Administrator is authorized to credit
13 said fund with all moneys hereafter obtained or now held by
14 him or by any constituent agency of the Housing and Home
15 Finance Agency or any other official thereof, and to account
16 under said fund for all assets and liabilities, in connection with
17 (1) community facilities provided or assisted under title
18 II of the Lanham Act, as amended (42 U. S. C. 1531-
19 1534), or under title III of the Defense Housing and Com-
20 munity Facilities and Services Act of 1951, as amended (42
21 U. S. C. 1592-1592n) ; (2) loans or advances made pur-
22 suant to title V of the War Mobilization and Reconversion
23 Act of 1944 (58 Stat. 791), or the Act of October 13, 1949
24 (40 U. S. C. 451-458) ; (3) functions transferred under
25 Reorganization Plan No. 23 of 1950 (5 U. S. C. 133z-15,

1 note), or authorized under sections 102, 102a, 102b, and
2 102c of the Housing Act of 1948, as amended (12 U. S. C.
3 1701g-1701g-3) ; (4) notes or other obligations purchased
4 pursuant to the Alaska Housing Act, as amended (48
5 U. S. C. 484 (a)) ; (5) subsistence homesteads and green-
6 towns (Acts of June 29, 1936, 49 Stat. 2035, and May
7 19, 1949, 63 Stat. 68) ; (6) public war housing under title
8 I of the Lanham Act, as amended (42 U. S. C. 1521-
9 1524), and defense housing under title III of the Defense
10 Housing and Community Facilities and Services Act of 1951,
11 as amended (42 U. S. C. 1592-1592n) ; and (7) veterans'
12 re-use housing under title V of the Lanham Act, as amended
13 (42 U. S. C. 1571-1575) : *Provided*, That said fund shall be
14 available for all necessary expenses (including administrative
15 expenses) in connection with the liquidation of the programs
16 carried out pursuant to the foregoing provisions of law, in-
17 cluding operation, maintenace, improvement, or disposition
18 of facilities, and for disbursements pursuant to outstanding
19 commitments against moneys herein authorized to be
20 credited to said fund, repayment of obligations to the Treas-
21 ury, and refinancing and refunding operations on existing
22 loans: *Provided further*, That any amount in said fund
23 which is determined to be in excess of requirements for
24 the purposes hereof shall be declared and paid as liquidating
25 dividends to the Treasury not less often than annually:

1 *Provided further*, That during the current fiscal year not
2 to exceed \$3,940,000 shall be available for administrative
3 expenses (including not to exceed \$265,000 for travel)
4 for the foregoing purposes, but this amount shall be ex-
5 clusive of *costs of services performed on a contract or fee*
6 *basis in connection with termination of contracts and legal*
7 *services on a contract or fee basis and of payment for services*
8 and facilities of the Federal Reserve banks or any member
9 thereof, *any services approved by the Federal National Mort-*
10 *gage Association*, the Federal home-loan banks, and any
11 insured bank within the meaning of the Act of August
12 23, 1935, as amended, creating the Federal Deposit In-
13 surance Corporation (12 U. S. C. 264) which has
14 been designated by the Secretary of the Treasury as a
15 depository of public money of the United States: *Pro-*
16 *vided further*, That after the effective date of this Act
17 no additional notes or obligations shall be purchased from
18 funds appropriated pursuant to the Alaska Housing Act,
19 as amended (48 U. S. C. 484 (d)), except for the fur-
20 therance or refinancing of an existing loan: *Provided further*,
21 That except for extensions, or refinancing, of existing
22 obligations the authority to issue obligations to the Secre-
23 tary of the Treasury under section 1 (4) of Reorganization
24 Plan No. 23 of 1950 (5 U. S. C. 1332-15, note), shall
25 terminate on June 30, 1954: *Provided further*, That all

1 expenses, not otherwise specifically limited in this Act,
2 in connection with the programs administered pursuant to
3 the foregoing provisions of law shall not exceed \$20,000,000
4 \$26,230,000.

5 Home Loan Bank Board: Not to exceed a total of
6 \$775,000 shall be available for administrative ex-
7 penses of the Home Loan Bank Board, and shall be de-
8 rived from funds available to the Home Loan Bank Board,
9 including those in the Home Loan Bank Board revolving
10 fund and receipts of the Federal Home Loan Bank Admin-
11 istration. the Federal Home Loan Bank Board, or the Home
12 Loan Bank Board for the current fiscal year and prior fiscal
13 years, and the Board may utilize and may make payment
14 for services and facilities of the Federal home-loan banks, the
15 Federal Reserve banks, the Federal Savings and Loan In-
16 surance Corporation, and other agencies of the Government:
17 *Provided*, That all necessary expenses in connection with the
18 conservatorship of institutions insured by the Federal Savings
19 and Loan Insurance Corporation and all necessary expenses
20 (including services performed on a contract or fee basis, but
21 not including other personal services) in connection with the
22 handling, including the purchase, sale, and exchange, of
23 securities on behalf of Federal home-loan banks, and the sale,
24 issuance, and retirement of, or payment of interest on, deben-
25 tures or bonds, under the Federal Home Loan Bank Act, as

1 amended, shall be considered as nonadministrative expenses
2 for the purposes hereof: *Provided further*, That not to ex-
3 ceed \$35,000 shall be available for expenses of travel:
4 *Provided further*, That notwithstanding any other provisions
5 of this Act, except for the limitation in amount hereinbefore
6 specified, the administrative expenses and other obligations
7 of the Board shall be incurred, allowed, and paid in accord-
8 ance with the provisions of the Federal Home Loan Bank
9 Act of July 22, 1932, as amended (12 U. S. C. 1421-
10 1449) : *Provided further*, That the nonadministrative ex-
11 penses for the examination of Federal and State chartered
12 institutions shall not exceed \$2,395,000.

13 Federal Savings and Loan Insurance Corporation: Not
14 to exceed \$455,000 shall be available for administrative
15 expenses, which shall be on an accrual basis and shall be
16 exclusive of interest paid, depreciation, properly capitalized
17 expenditures, expenses in connection with liquidation of
18 insured institutions, liquidation or handling of assets of or
19 derived from insured institutions, payment of insurance, and
20 action for or toward the avoidance, termination, or mini-
21 mizing of losses in the case of insured institutions, legal fees
22 and expenses, and payments for administrative expenses of
23 the Home Loan Bank Board determined by said Board to be
24 properly allocable to said Corporation, and said Corporation
25 may utilize and may make payment for services and facilities

1 of the Federal home-loan banks, the Federal Reserve banks,
2 the Home Loan Bank Board, and other agencies of the
3 Government: *Provided*, That not to exceed \$6,500 shall
4 be available for expenses of travel: *Provided further*,
5 That notwithstanding any other provisions of this Act,
6 except for the limitation in amount hereinbefore specified,
7 the administrative expenses and other obligations of said
8 Corporation shall be incurred, allowed and paid in accord-
9 ance with title IV of the Act of June 27, 1934, as amended
10 (12 U. S. C. 1724-1730).

11 Federal Housing Administration: In addition to the
12 amounts available by or pursuant to law (which shall be
13 transferred to this authorization) for the administrative ex-
14 penses in carrying out duties imposed by or pursuant to law,
15 not to exceed ~~\$5,000,000~~ \$5,175,000 of the various funds of
16 the Federal Housing Administration shall be available for
17 expenditure, in accordance with the National Housing Act, as
18 amended (12 U. S. C. 1701) : *Provided*, That, except as
19 herein otherwise provided, all expenses and obligations of said
20 Administration shall be incurred, allowed, and paid in accord-
21 ance with the provisions of said Act: *Provided further*, That
22 not to exceed \$175,000 shall be available for expenses
23 of travel: *Provided further*, That funds available for
24 expenditure shall be available for contract actuarial services
25 (not to exceed \$1,500) ; and purchase of periodicals and

1 newspapers (not to exceed \$500) ~~÷~~ *Provided further*, That
2 expenditures for nonadministrative expenses classified by
3 section 2 of Public Law 387, approved October 25, 1949,
4 shall not exceed \$24,000,000.

5 Public Housing Administration: Of the amounts avail-
6 able by ~~or pursuant to~~ law for the administrative expenses
7 of the Public Housing Administration in carrying out duties
8 imposed by ~~or pursuant to~~ law including funds appropriated
9 by title I of this Act not to exceed \$6,950,000, shall be
10 available for such expenses, including not to exceed \$500,000
11 for expenses of travel; and expenses of attendance at meet-
12 ings of organizations concerned with the work of the
13 Administration: *Provided*, That necessary expenses of pro-
14 viding representatives of the Administration at the sites
15 of non-Federal projects in connection with the con-
16 struction of such non-Federal projects by public housing
17 agencies with the aid of the Administration, shall be com-
18 pensated by such agencies by the payment of fixed fees which
19 in the aggregate in relation to the development costs of such
20 projects will cover the costs of rendering such services, and
21 expenditures by the Administration for such purpose shall be
22 considered nonadministrative expenses, and funds received
23 from such payments may be used only for the payment of
24 necessary expenses of providing representatives of the Ad-
25 ministration at the sites of non-Federal projects: *Provided*

1 *further*, That all expenses of the Public Housing Administra-
2 tion not specifically limited in this Act, in carrying out its
3 duties imposed by ~~or pursuant to~~ law, shall not exceed
4 \$1,530,000: *Provided further*, That during the fiscal year
5 1955 the Commissioner shall continue to make every effort
6 to refund all local bonds held by the Public Housing Admin-
7 istration under the United States Housing Act of 1937, as
8 amended.

9 CORPORATIONS—GENERAL PROVISIONS

10 SEC. 202. No part of the funds of, or available for expend-
11 iture by, any corporation or agency included in this title shall
12 be used to pay the compensation of any employee engaged
13 in personnel work in excess of the number that would be
14 provided by a ratio of one such employee to one hundred and
15 thirty-five, or a part thereof. full-time, part-time, and inter-
16 mittent employees of the agency concerned: *Provided*, That
17 for purposes of this section employees shall be considered as
18 engaged in personnel work if they spend half-time or more
19 in personnel administration consisting of direction and ad-
20 ministration of the personnel program; employment, place-
21 ment, and separation; job evaluation and classification;
22 employee relations and services; training; committees of
23 expert examiners and boards of civil-service examiners; wage
24 administration; and processing, recording, and reporting.

TITLE III—GENERAL PROVISIONS

SEC. 301. No part of any appropriation contained in this Act, or of the funds available for expenditure by any corporation included in this Act, shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advo-

1 cates, the overthrow of the Government of the United States
2 by force or violence and accepts employment the salary or
3 wages for which are paid from any appropriation or fund
4 contained in this Act shall be guilty of a felony and, upon
5 conviction, shall be fined not more than \$1,000 or imprisoned
6 for not more than one year, or both: *Provided further*, That
7 the above penalty clause shall be in addition to, and not in
8 substitution for, any other provisions of existing law.

9 SEC. 302. No part of any appropriation contained in
10 this Act, or of the funds available for expenditure by any
11 corporation or agency included in this Act, shall be used
12 for publicity or propaganda purposes designed to support
13 or defeat legislation pending before the Congress.

14 SEC. 303. This Act may be cited as the "Independent
15 Offices Appropriation Act, 1955."

Passed the House of Representatives March 31, 1954.

Attest:

LYLE O. SNADER,

Clerk.

[Report No. 1339]

AN ACT

Making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1955, and for other purposes.

APRIL 1 (legislative day, March 1), 1954
Read twice and referred to the Committee on
Appropriations

MAY 14 (legislative day, May 13), 1954
Reported with amendments

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued May 19, 1954

For actions of May 18, 1954

83rd-2nd, No. 91

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: Senate confirmed nomination of Farrington to CCC. Senate committee voted to continue farm housing program. Senate debated independent offices appropriation bill. Both Houses received FCIC audit report. House committee voted to report O&C land bill and Colo. reclamation bill. Rep. McIntire inserted and commended list of Administration's accomplishments for agriculture.

SENATE

1. NOMINATION of Robert L. Farrington, to be a member of the Board of Directors of CCC, was confirmed (p. 6362).
2. INDEPENDENT OFFICES APPROPRIATION BILL, 1955. Began debate on this bill, H. R. 8583. Agreed to all committee amendments subject to reconsideration of any amendment at the request of any Senator. (pp. 6396, 6405-6.)
3. FCIC AUDIT. Both Houses received from the Acting Comptroller General the audit report on FCIC for the fiscal year 1953; to Government Operations Committees (H. Doc. 390)(pp. 6352, 6424).
4. FOREIGN TRADE. Sen. Wiley inserted a Farmers Union statement favoring expansion of world trade, an international food reserve, disposal of surpluses to foreign countries, customs simplification, trade agreements, etc. (pp. 6353-4).
Sen. Malone spoke in favor of restrictions on imports through additional tariff protection, etc. (pp. 6399-405).
5. PERSONNEL; EXPENDITURES. Received an additional report of the Joint Committee on Reduction of Nonessential Federal Expenditures regarding employment (pp.6357-61).
6. PRICE SUPPORTS. Sen. Murray inserted and commended a statement of Mont. businessmen favoring high price supports (pp. 6366-70).
7. FARM PROGRAM. Sen. Murray inserted a CIO statement that "The Government should continue and strengthen programs including price supports, conservation, low-cost

credit, and rural electrification" (pp. 6363-4).

8. MEAT PRICES. Sen. Langer gave figures to show that "while the price of cattle had depreciated, the price of hogs had increased" (p. 6371).
9. DISBURSEMENTS. Senate conferees were appointed on S. 2844, to extend for 1 year authority for certain banking transactions by U. S. disbursing officers (p. 6383). House conferees have not yet been appointed.
10. COMMITTEE ASSIGNMENTS. Sen. Humphrey was transferred from the Government Operations Committee to the Agriculture and Forestry Committee. Sen. Smathers was transferred from the Interior and Insular Affairs Committee to the Finance Committee. (p. 6352.)
11. ROMEO E. SHORT. Sens. Fulbright and McClellan spoke in memory of the late Romeo E. Short, formerly Assistant Secretary of Agriculture (pp. 6370-1).

HOUSE

12. PUBLIC LANDS. The Interior and Insular Affairs Committee voted to report (but did not actually report) H. R. 5958, relating to administrative jurisdiction over certain O&C lands in Oreg. (p. D545).
13. RECLAMATION. The Interior and Insular Affairs Committee voted to report (but did not actually report) H. R. 4449, authorizing the Secretary of the Interior to construct, maintain, and operate the Colorado River storage project and participating projects (p. D545).
14. LAND TRANSFERS. A subcommittee of the Agriculture Committee voted to report to the full committee H. J. Res. 458, to direct the Secretary of Agriculture to quitclaim retained rights in a tract of land in Irwin County, Ga.; S. 1400, to permit the Secretary of Agriculture to release the reversionary rights of the U. S. in a land tract in Wake County, N. C.; and H. R. 4928, to direct conveyance of part of the Animal Quarantine Station, Clifton, N. J., to the city (p. D545).
15. FARM PROGRAM. Rep. McIntire inserted and commended a summary of the accomplishments of the Administration regarding agriculture (pp. 6418-9).
16. FOREIGN TRADE. Rep. Smith, Miss., recommended repeal of the Buy-American Act (pp. 6411-2).
17. BANKING AND CURRENCY. Rep. Patman criticized the "hard-money, high-interest" policy (pp. 6415-6).
18. PERSONNEL. The "Daily Digest" states that the Ways and Means Committee "agreed to a proposal to include under OASI coverage the Federal employees in the executive branch who are not under a Federal staff retirement system" (p. D546).

BILLS INTRODUCED

19. FOREIGN TRADE. H. R. 9185, by Rep. Bailey; H. R. 9186, by Rep. Byrd; and H. R. 9189, by Rep. Fogarty, to provide a permanent procedure for adjustment of tariff rates on a selective basis, to regulate the flow of imported articles on a basis of fair competition with domestic articles, etc.; to Ways and Means Committee (p. 6424).

I urge that the amendment dated May 17, 1954, be consigned to the limbo it deserves.

Mr. CASE. Mr. President, it seems to me that this amendment would destroy the bill. It would strike out all after the enacting clause, and therefore become a substitute for the bill. If that fact is kept clearly in mind, I think a reading of the amendment ought to make clear what it would do. I read from the amendment:

Whoever transports fireworks of any nature or description whatsoever, on interstate commerce into any State, or delivers them for transportation in interstate commerce into any State, or attempts so to do, knowing or having reason to believe that such fireworks have been ordered by one or are to be delivered to a person under the age of 21 years, shall be fined not more than \$1,000 or imprisoned not more than 1 year, or both.

Looking at it from the other side, it would be perfectly legal, under that language, to ship fireworks into any State if the shipper thought they were to be handled by someone who was 21 years of age or more. So the seller of the fireworks, the manufacturer, or whoever puts them into interstate commerce, would be scot-free if he could affirm that he did not know they were going to anyone under the age of 21, regardless of how they were obtained. If he could sell them to anyone over the age of 21, that person, over 21, could then do with them whatever was permitted under the laws of the State, and the Federal law would not touch him. The amendment would completely destroy the bill. It ought to be voted down.

Mr. KEFAUVER. Mr. President, I should like to say just a word or two in rebuttal of what my friend from Wisconsin and my friend from South Dakota have said.

In the first place, under the language of the bill as reported, if fireworks are shipped into a portion of a local option State, there will be bootlegging throughout the State. There will be bootlegging to minors as well as to adults.

Under the provisions of the bill as reported it would be difficult, where fireworks are shipped to a local option State, to prevent someone from taking them into another State and selling them to minors as well as adults.

This amendment would not interfere with the enforcement of the laws of any State. It would simply make it a matter of national policy that the Federal Government at least wishes to try to block, wherever it can, and to the extent it can, the shipment by anyone of fireworks to a minor.

The distinguished Senator from Wisconsin has shown the committee various documents containing statements to the effect that the chief violations and the chief damage have been committed by some of the bad elements of the fireworks industry, by sending objectionable advertisements to young people, who then order fireworks through the mail.

Even the legitimate fireworks manufacturers do not want that to happen, and, of course, it should not happen. My amendment would stop that practice. It would mean that if a dealer were

found selling fireworks to minors, that information would get to the manufacturer, and if the manufacturer were to sell fireworks to a dealer who in turn sold them to minors, the manufacturer would be violating the statute. So manufacturers would have to be very careful with respect to those to whom they sold fireworks. Undoubtedly a code would be written, and would have to be followed by the manufacturers, to make certain that the fireworks did not get into the hands of children.

Furthermore, if keeping fireworks out of the hands of adults is a good thing in 36 States, why are not the children of the wide open States entitled to some protection from the Federal Government?

I should like to ask the distinguished Senator from Wisconsin if the bill he has before him would be of any benefit to children who are losing their eyes in the States where there is no prohibition whatsoever? Would it be of any benefit in the States which have local option, or in the towns and counties where there is no ban on the use of fireworks? At least my amendment would place the burden upon the shipper to see to it that no fireworks were sold to young people under the age of 21. It would be a great help in keeping fireworks out of the hands of youths. It would be a great help in supplementing the effort of State enforcement agencies in dealing with fireworks, and I think it would do more overall good than what I think is an unenforceable and unworkable bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee [Mr. KEFAUVER].

Mr. CASE. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield.

Mr. CASE. Does the Senator think it would be easier for a shipper or manufacturer to determine the age of the persons who were to receive the fireworks than it would be to determine whether an ordinance on the subject existed?

Mr. KEFAUVER. Yes; I think it would be. I think that what would happen in the enforcement of such a law would be that there would be a requirement for the submission of evidence that the person ordering the fireworks was over the age of 21 or a requirement for the submission of evidence by the purchaser that he intends to sell them to persons other than those under the age of 21.

This is a basic law. The Department of Justice, under its general powers to write rules and regulations as to how the law should be administered, would have the right, just as it has in the case of a shipment of narcotics into one of the States, to require signatures, and evidence as to who is ordering the narcotics. Statutes of this kind are not uncommon. The Department of Justice has been able to administer them satisfactorily, so that the intent of Congress is carried out.

I think my amendment would really do some good, and would protect the people of all the States. It would eliminate all the confusion and argument

which has arisen with respect to the bill as reported. I believe that upon consideration of my amendment parent-teacher associations, and many others, if this proposal were brought before them, would decide that they would rather have the over-all protection of the children of all the States than the uncertain protection they would receive under the bill as reported.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee [Mr. KEFAUVER].

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. WILEY. Mr. President, an amendment has been submitted by the Senator from Washington [Mr. MAGNUSON], which I think I can accept. The language at the top of page 2 of the bill reads as follows:

This section shall not apply to a common or a contract carrier engaged in interstate commerce.

The amendment of the Senator from Washington—

The PRESIDING OFFICER. The bill is not open to amendment. It has been read the third time.

Mr. WILEY. I thought I was on my feet in time. Mr. President, I ask unanimous consent that the vote by which the amendments were ordered to be engrossed and the bill to be read a third time, be reconsidered, in order that the amendment of the Senator from Washington may be considered. I wish to keep faith with the Senator from Washington.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Washington? The Chair hears none, and it is so ordered.

Mr. WILEY. Mr. President, on behalf of the Senator of Washington [Mr. MAGNUSON], I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Wisconsin on behalf of the Senator from Washington [Mr. MAGNUSON] will be stated.

The LEGISLATIVE CLERK. On page 2, line 2, after the word "carrier", it is proposed to insert the words "or to international or domestic water carriers."

Mr. WILEY. I agree to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin on behalf of the Senator from Washington [Mr. MAGNUSON].

The amendment was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. LONG. Mr. President, I ask for the yeas and nays on the final passage of the bill.

The yeas and nays were not ordered.

Mr. LONG. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, with the permission of the distinguished Senator from Louisiana [Mr. LONG], who suggested the absence of a quorum, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KNOWLAND. Mr. President, I ask for the yeas and nays on the final passage of the bill.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from Ohio [Mr. BRICKER] and the Senator from South Dakota [Mr. MUNDT] are absent on official business.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Nebraska [Mr. BUTLER], the Senator from Illinois [Mr. DIRKSEN], the Senator from Pennsylvania [Mr. DUFF], and the Senator from Pennsylvania [Mr. MARTIN] are necessarily absent.

If present and voting, the Senator from Ohio [Mr. BRICKER], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Nebraska [Mr. BUTLER], the Senator from Illinois [Mr. DIRKSEN], the Senator from Pennsylvania [Mr. DUFF], the Senator from Pennsylvania [Mr. MARTIN], and the Senator from South Dakota [Mr. MUNDT] would each vote "Yea."

Mr. CLEMENTS. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Georgia [Mr. GEORGE], the Senator from Arizona [Mr. HAYDEN], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Wyoming [Mr. HUNT], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. KERR], the Senator from West Virginia [Mr. KILGORE], the Senator from North Carolina [Mr. LENNON], and the Senator from Arkansas [Mr. MCCLELLAN] are absent on official business.

The Senator from Nevada [Mr. MCCARRAN] is absent by leave of the Senate.

I announce further that if present and voting, the Senator from Arizona [Mr. HAYDEN], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Wyoming [Mr. HUNT], the Senator from West Virginia [Mr. KILGORE], the Senator from Oklahoma [Mr. KERR], the Senator from North Carolina [Mr. LENNON], and the Senator from Nevada [Mr. MCCARRAN] would each vote "Yea."

The result was announced—yeas 73, nays 3, as follows:

Alken
Barrett
Beall
Bennett
Bowring
Burke
Bush
Butler, Md.
Byrd
Capehart
Carlson
Case
Clements
Cooper
Cordon
Daniel
Douglas
Dworshak
Eastland
Ellender
Ferguson
Flanders
Frear
Fulbright
Gillette

YEAS—73

Goldwater
Gore
Green
Hendrickson
Hennings
Hickenlooper
Hill
Holland
Ives
Jackson
Jenner
Johnson, Colo.
Johnson, Tex.
Kennedy
Knowland
Kuchel
Langer
Lehman
Long
Magnuson
Malone
Mansfield
Maybank
Millikin
Monroney

Morse
Murray
Ncely
Pastore
Payne
Potter
Purtell
Robertson
Russell
Saltonstall
Schoeppel
Smathers
Smith, Maine
Smith, N. J.
Sparkman
Stennis
Symington
Thye
Upton
Watkins
Wiley
Williams
Young

NAYS—3

Johnston, S. C. McCarthy Welker

NOT VOTING—19

Anderson
Bricker
Bridges
Butler, Nebr.
Chavez
Dirksen
Duff
George
Hayden
Humphrey
Hunt
Kefauver
Kerr
Kilgore
Lennon
Martin
McCarran
McClellan
Mundt

So the bill (S. 116) was passed.

Mr. MUNDT subsequently said: Mr. President, I simply wish to announce that I was detained on business in connection with the current hearings before the Investigating Committee at the time of the rollcall. In consonance with my announcement yesterday, I would have voted for the bill had I been on the floor of the Senate when the vote was taken. I regret that I could not be present and vote for it. I was supporting it. I should like to have this statement follow the vote in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

INDEPENDENT OFFICES APPROPRIATIONS, 1955

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of calendar 1342, House bill 8583, which is the independent offices appropriation bill.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 8583) making appropriations for the executive office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1955, and for other purposes, which had been reported from the Committee on Appropriations, with amendments.

THE SANTA MARGARITA PROJECT

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter which I have written to the Senator from Nebraska [Mr. BUTLER], chairman of the Committee on Interior and Insular Affairs.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Hon. HUGH BUTLER,
Chairman, Committee on Interior and Insular Affairs, United States Senate,
Washington, D. C.

DEAR SENATOR BUTLER: As you know, I objected to H. R. 5731, Calendar No. 1325, on the call of the calendar yesterday. This is the bill concerning the Santa Margarita project.

I am advised that the hearings on this bill have not as yet been printed, and an inquiry to the committee staff indicates that there are no plans for printing the hearings which consist of 1 day of open session and 3 days of testimony taken in executive session.

The majority leader, to whom I am sending a copy of this letter, has indicated that he plans to call this bill up on motion after the Independent Offices appropriation bill is acted upon by the Senate.

It would seem to me that the Senate should observe its normal procedure and have available to it the hearings on this bill before it proceeds to consider it on the merits.

I would appreciate being advised as to your plans in this matter.

Sincerely yours,

WAYNE MORSE.

CRITICAL STATE OF SHIPBUILDING AND SHIP-REPAIR INDUSTRIES—SETTLEMENT OF LITIGATION BETWEEN THE UNITED STATES LINES AND THE GOVERNMENT

Mr. BUTLER of Maryland. Mr. President, the present critical state of our shipbuilding and ship-repair industries is not due to any single factor. Indeed it has reached such alarming proportions that our Water Transportation Subcommittee is tomorrow holding a public hearing at which representatives of the leading yards will testify as to their plight, looking toward emergency legislation which will put necessary work into their facilities.

However, one thing which undoubtedly has acted as a serious deterrent to the construction of large oceangoing vessels, involving as they do construction differential subsidies, has been the uncertainty or lack of finality of the Government's participation.

I am sure Senators are aware of the Court of Claims litigation between the United States Lines and the United States Government. As will be recalled, at the insistence of the Comptroller General, large sums of money otherwise due the United States Lines were withheld, on the theory that that company had received a construction differential subsidy larger than the law permitted on the steamship *United States*. Thereafter, the United States Lines sued the Government in the Court of Claims to recover these sums withheld. The mere existence of this litigation, regardless of who was right, undoubtedly dampened the desires of would-be shipbuilders who would have to depend in part, on construction subsidies. Stated simply they felt that nothing was to be gained by building a ship if a protracted law suit was guaranteed.

FAVORS TO FOREIGN BUSINESS

Both the previous administrations and the present administration have favored foreign enterprise over American industry, whether that industry was large or small.

It has done this through special tariff concessions, special tax concessions, special diplomatic concessions and inducements, and special encouragement from administration leaders, whether the interest be large or small. In shorter words, our foreign trade policy for the past 20 years has been, and is, pro-foreign.

Some of our larger corporations—and we need name only those in the electrical industry—have been discriminated against under our proforeign trade policy just as effectively as such small businesses as cutlery, briar pipes, silk scarves, and glassware have been discriminated against.

Their foreign competitors are invited to this country and taken on conducted tours to study our markets and learn our trade methods.

Tariffs are lowered to give these foreign competitors an advantage in our markets over our own producers.

GIVE AMERICAN INDUSTRY AN EQUAL BREAK
WITH FOREIGN COMPETITORS

All anyone has ever asked for is a duty which is adjusted on a basis of fair and reasonable competition to make up that general difference between the wages and the taxes paid in this country and the other pertinent factors relating to the cost of doing business in this country and the costs in the chief competitive nations. No one has talked about a high or low tariff or duty; we have simply talked about fair and reasonable competition—in other words, give the American producer an equal break in the American market.

Mr. President, I ask unanimous consent to place in the RECORD at this point a Washington report by Ingrid Jewell, dated May 15, 1954.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

[From the Pittsburgh Post-Gazette of
May 15, 1954]

WASHINGTON REPORT—RECIPROCAL TRADE ACT
DIES JUNE 12—NO HEARINGS SET

(By Ingrid Jewell)

WASHINGTON, May 14.—The Reciprocal Trade Agreements Act has been the controlling instrument of our foreign trade and an important factor in our foreign policy since Congress first enacted it on June 12, 1934.

It was promoted then as a device to stimulate world trade and so deflect the impact of world depression. Most Americans appear to think it has been successful.

The act was to have expired last June 12. Congress extended it for 1 year and provided for a commission to study foreign trade problems and recommend the form in which the legislation should be continued, if at all. That commission, chaired by Clarence Randall, has reported, recommending in the main a continuation of the legislation with its emphasis on low tariffs.

Unless Congress acts before June 12 to extend or amend the act it will expire then. The Ways and Means Committee of the House, where such legislation normally starts, has been busy with revisions of the excise and general income tax bills, and now with an overhaul of social-security legislation.

Besides reciprocal trade, the committee also has before it the rewriting of unemployment insurance legislation and public assistance laws. It has set no date for starting hearings on reciprocal trade.

Meanwhile, there is apparently greater opposition this year to continuing the reciprocal trade program in its present form than in any recent Congress.

There are the perennial complaints of the high-tariff industries, like china and glassware, hats and watches. There is the increasing opposition of the coal industry to importation without quota restriction of residual fuel oil in amounts sufficient to displace a serious quantity of industrial boiler coal. These complaints are all based on the old argument that American labor cannot compete with cheap foreign labor unless it surrenders its American standard of living.

But in addition there is a growing complaint of another sort against the reciprocal trade program. It is the complaint that the program is not truly reciprocal. It is charged that many foreign nations sign these agreements, then nullify them by enacting other sorts of trade restrictions, such as import licenses, import quotas, exchange permits, and other monetary controls.

There is growing resentment against these foreign trade barriers among Congressmen who like the reciprocal trade program in theory; and a growing inclination to tell our foreign neighbors, "Look here. Either this program is truly reciprocal or the deal's off."

Nearly all the nations of the world require import licenses from our exporters. Usually it is not difficult to obtain a license. But the device is there to shut out American goods at a moment's notice.

A case in point is that of the Harley-Davidson Motorcycle Co. In 1930, under the Smoot-Hawley high-tariff law, the tariff on motorcycles was 33½ percent, whether they were American machines imported into England or English machines imported into the United States. The Reciprocal Trade Agreements Act got that down to 10 percent. But the British embargo the importation of American motorcycles by refusing import licenses. So does Australia. The two best foreign markets are thus lost to Harley-Davidson, yet British machines come in here at the 10-percent rate.

It seems incontrovertible that this legislation needs overhauling rather than a mere extension, if it is to accomplish the purpose for which it was devised.

Mr. MALONE. Mr. President, the huge million-dollar contracts, with the Nation's taxpayers furnishing the dollars, are awarded to foreign companies in preference to American firms, and at a fearful cost to American communities, investors, and payrolls.

The Battle Act, the Buy-American Act, the Antidumping Act, and the escape-clause provisions of the Trade Agreements Act, as extended, are waived, ignored, or given distorted interpretations that make them ineffective and defy the intent of Congress.

There is no surcease and no compromise in this drive of the one-worlders to turn over a large share of American production, tax revenues, and payrolls to foreigners, some of whom may be foes tomorrow, or, at best, neutral.

Mr. President, with the expiration of the 1934 Trade Agreements Act on June 12, 1954, and the reversion to the Tariff Commission, an agent of Congress, of the adjustment of the duties or tariffs on the basis of fair and reasonable competition, the American producer will again be in business. The American workingmen and the investors of this Nation will

again have equal access to the American markets; that is, Mr. President, provided Congress does not extend the act.

INDEPENDENT OFFICES APPROPRIATIONS, 1955

The Senate resumed the consideration of the bill (H. R. 8583) making appropriations for the executive office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1955, and for other purposes.

Mr. SALTONSTALL. Mr. President, I have consulted with the majority leader, the minority leader, the acting minority leader, and the minority whip, and they are all in accord with the unanimous-consent request I am about to make.

I ask unanimous consent that all of the amendments of the committee to the pending bill be agreed to en bloc, subject to being reopened for amendment at the request of any Senator.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendments agreed to en bloc are as follows:

Under the heading "Title I—Executive Office of the President—Council of Economic Advisers," on page 3, line 20, after "(not exceeding \$300)", to strike out "\$250,000" and insert "\$285,000."

Under the subhead "National Security Council," on page 4, line 5, after the word "Council," to strike out "\$200,000" and insert "\$215,000."

Under the subhead "Office of Defense Mobilization," on page 4, line 14, after the word "appropriation," to strike out "\$2,134,000" and insert "\$2,486,000"; and in the same line, after the word "which," to strike out "\$134,000" and insert "\$161,000."

Under the heading "Funds Appropriated to the President—Emergency Fund for the President—Expenses of Management Improvement," on page 6, at the beginning of line 4, to strike out "\$250,000" and insert "\$300,000."

Under the heading "Independent Offices," on page 6, after line 8, to insert:

"ADVISORY COMMITTEE ON WEATHER CONTROL
"Salaries and expenses

"For necessary expenses of the Advisory Committee on Weather Control, established by the act of August 13, 1953 (67 Stat. 559), including services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), \$120,000."

Under the heading "American Battle Monuments Commission," on page 8, line 2, after the word "Army," to insert a colon and "Provided further, That the Commission may reimburse other Government agencies, including the Armed Forces, for salary, pay, and allowances of personnel assigned to it."

Under the heading "Atomic Energy Commission," on page 8, at the beginning of line 10, to insert "rental in the District of Columbia"; and in line 20, after the word "vehicles," to strike out "\$1,093,462,300" and insert "\$1,102,780,300."

On page 10, line 8, after the word "vehicles," to strike out "\$96,498,400" and insert "\$130,000,000."

On page 11, line 14, after the word "budget," to insert a colon and "Provided further, That not to exceed \$2,500,000 of the funds herein provided may be transferred to the Bureau of Public Roads, Department of Commerce, for the construction or improvement of access roads in the United States to sources of uranium ore."

Under the heading "Civil Service Commission," on page 16, line 25, after the figures "\$400,000", to insert "together with not to exceed \$500,000 of the unobligated balance of funds appropriated for this purpose in the Supplemental Appropriation Act, 1954."

Under the heading "Federal Communications Commission," on page 18, line 15, after the word "exceed", to strike out "\$4,000" and insert "\$48,000"; in line 17, after the word "exceed", to strike out "\$16,000" and insert "\$37,500"; and in line 22, after the word "travel", to strike out "\$6,544,400" and insert "\$7,294,400."

Under the heading "Federal Trade Commission," on page 19, line 17, after "(5 U. S. C. 55a)", to strike out "and not to exceed \$140,000 for expenses of travel, \$4,030,700" and insert "\$4,100,000."

Under the heading "General Services Administration," on page 21, line 2, after the word "travel", to strike out "\$94,460,000" and insert "\$96,460,000."

On page 22, after line 19, to insert:
"Buildings management fund: For additional working capital for the Buildings management fund," authorized by the act approved July 12, 1952 (66 Stat. 594), \$2,000,000, to remain available without fiscal year limitation."

On page 23, line 10, after the word "travel", to strike out "\$11,066,800" and insert "\$13,066,800"; and in line 13, after the word "only", to insert "and for the acquisition of 13 such vehicles from excesses reported by other agencies, or from forfeitures."

Under the heading "Housing and Home Finance Agency—Office of the Administrator," on page 28, line 7, after the numerals "1949", to strike out "\$2,668,500" and insert "\$2,918,500, including \$150,000 for additional costs of establishing and operating a central staff for investigation and compliance functions for the Housing and Home Finance Agency."

On page 29, line 8, after the word "Provided", to strike out "That no funds in this act shall be available for payment of capital grants under any contract involving the development or redevelopment of a project for predominantly residential uses where incidental uses are not restricted to those normally essential for residential uses: *Provided further*."

Under the heading "Interstate Commerce Commission," on page 31, line 18, after the word "Commissioner," to strike out "who is responsible for the supervision of the Bureau of Service to carry out functions delegated to him under the Defense Production Act of 1950, as amended" and insert "of the Interstate Commission who has been delegated functions under the Defense Production Act of 1950, as amended, to carry out such functions."

At the top of page 32, to strike out:
"Railroad safety and locomotive inspection: For expenses necessary in the performance of functions relating to railroad inspection and safety, including not to exceed \$290,000 for expenses of travel, \$1,684,000."

And in lieu thereof, to insert the following:

"Railroad safety: For expenses necessary in performing functions authorized by law (45 U. S. C. 1-15, 17-21, 35-46, 61-64; 49 U. S. C. 26) to insure a maximum of safety in the operation of railroads, including authority to investigate, test experimentally, and report on the use and need of any appliances or systems intended to promote the safety of railway operation, including those pertaining to block-signal and train-control systems, as authorized by the joint resolution approved June 30, 1906, and the Sundry Civil Act of May 27, 1908 (45 U. S. C. 35-37), and to require carriers by railroad subject to the act to install automatic train-stop or train-control devices as prescribed by the Commission (49 U. S. C. 26), including the employment of inspectors and engineers, and

including not to exceed \$163,050 for expenses of travel, \$974,500."

On page 32, after line 19, to insert:
"Locomotive inspection: For expenses necessary in the enforcement of the act of February 17, 1911, entitled 'An act to promote the safety of employees and travelers upon railroads by compelling common carriers engaged in interstate commerce to equip their locomotives with safe and suitable boilers and appurtenances thereto,' as amended (45 U. S. C. 22-34), including not to exceed \$112,620 for expenses of travel, \$709,500."

Under the heading "National Advisory Committee for Aeronautics," on page 34, line 1, after "(5 U. S. C. 55a)", to strike out "\$49,000,000" and insert "\$52,107,750."

On page 34, line 7, after the word "Committee", to strike out "\$4,349,000" and insert "\$4,620,000."

Under the heading "National Science Foundation," on page 36, line 8, after the word "exceed", to strike out "\$89,500" and insert "\$116,000"; and at the beginning of line 12, to strike out "\$11,000,000" and insert "\$14,000,000."

Under the heading "Securities and Exchange Commission," on page 37, line 3, after "(5 U. S. C. 55a)", to strike out "\$4,700,000" and insert "\$4,775,000."

Under the heading "Small Business Administration," on page 38, line 17, after the word "vehicles", to strike out "\$2,025,000" and insert "\$2,575,000"; and in line 20, after the word "exceed", to strike out "\$1,650,000" and insert "\$2,500,000."

At the top of page 39, to insert:
"REVOLVING FUND, SMALL BUSINESS ADMINISTRATION

"For additional capital for the revolving fund authorized by the Small Business Act of 1953, to be available without fiscal year limitation, \$25,000,000."

Under the heading "Subversive Activities Control Board," on page 41, line 23, after the word "periodicals", to strike out "\$150,000" and insert "\$185,000"; at the beginning of line 24, to strike out "\$81,000" and insert "\$115,000"; and on page 42, line 2, after the numerals "1954", to insert "and 'The Supplemental Appropriation Act, 1954'."

Under the heading "Tariff Commission," on page 42, line 10, after "(5 U. S. C. 55a)", to strike out "\$1,250,000" and insert "\$1,327,000"; and in line 17, after the word "representative", to strike out the colon and "Provided further, That no part of the foregoing appropriation shall be used for making any special study, investigation or report at the request of any other agency of the executive branch of the Government unless reimbursement is made for the cost thereof."

Under the heading "Tennessee Valley Authority," on page 43, line 2, after the word "exceed", to strike out "one hundred" and insert "two hundred and eleven"; in line 4, after the word "vehicles", to strike out "\$103,582,000" and insert "\$129,582,000"; on page 44, line 3, after the word "exceed", to strike out "\$600,000" and insert "\$1,200,000"; and in the same line, after the amendment just above stated, to strike out "to be" and insert "of which \$600,000 shall be derived from this appropriation and \$600,000 shall be."

Under the heading "Veterans' Administration," on page 44, line 19, after the word "exceed", to strike out "\$2,690,000" and insert "\$3,144,000"; and at the beginning of line 25, to strike out "\$163,922,300" and insert "\$171,876,300."

On page 46, line 3, after the word "of", to strike out "fifty" and insert "seventy."

On page 47, line 3, after the word "employees", to strike out "\$76,744,000" and insert "\$86,744,000, of which not exceeding \$15,810,000 shall be available for outpatient fee basis dental care."

On page 49, line 10, after the word "expended", to strike out "\$39,000,000" and insert "\$47,000,000."

On page 50, line 14, after the word "facilities", to strike out "\$3,400,000" and insert "\$3,480,000."

Under the heading "Title II—Corporations—Housing and Home Finance Agency," on page 60, line 5, after the words "exclusive of", to insert "costs of services performed on a contract or fee basis in connection with termination of contracts and legal services on a contract or fee basis and of"; and on page 61, line 3, after the word "exceed", to strike out "\$20,000,000" and insert "\$26,230,000."

On page 63, line 15, after the word "exceed", to strike out "\$5,000,000" and insert "\$5,175,000"; and on page 64, line 1, after the figures "\$500", to strike out the colon and "Provided further, That expenditures for nonadministrative expenses classified by section 2 of Public Law 387, approved October 25, 1949, shall not exceed \$24,000,000."

RECESS

Mr. SALTONSTALL. Mr. President, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 9 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, May 19, 1954, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 18 (legislative day of May 13), 1954:

POSTMASTERS

The following named persons to be postmasters:

ALABAMA

Virginia L. Love, Eden, Ala., in place of D. R. Wyatt, retired.
Donald Holt, Florence, Ala., in place of A. W. Darby, retired.
Buren Hanson, Foley, Ala., in place of J. W. Cyphers, retired.
Joel L. Lovett, Siluria, Ala., in place of J. H. Dunlap, removed.

CALIFORNIA

Carroll E. Harris, Bishop, Calif., in place of W. A. Johnson, retired.
John H. Bergstrom, East Highlands, Calif., in place of L. B. McCulley, resigned.
Ralph B. Webb, Maricopa, Calif., in place of O. G. Miller, retired.
Albert J. Honett, Pinecrest, Calif., in place of Roy Corhan, resigned.
Francis E. Bodeson, Ripon, Calif., in place of Agnes McCausland, retired.

COLORADO

Della M. Svoboda, Agate, Colo., in place of Anna Christensen, resigned.
Ray E. Snyder, Limon, Colo., in place of C. C. Bell, transferred.
Lynne Taylor, Jr., Milliken, Colo., in place of Matthew Martinez, transferred.

CONNECTICUT

August F. Benvenuti, Torrington, Conn., in place of Frank Buonocore, retired.

FLORIDA

William D. Hillier, Florida City, Fla., in place of A. B. Chapman, retired.
Arnold Bridges, Ormond Beach, Fla., in place of M. C. Hitchcock, retired.
Rudolph W. Long, Sebastian, Fla., in place of J. O. Rogers, resigned.

ILLINOIS

Ivan M. Prather, Charleston, Ill., in place of C. B. Muchmore, retired.
Charles H. Redebaugh, Dixon, Ill., in place of R. A. Arnould, resigned.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued May 20, 1954

For actions of May 19, 1954

83rd-2nd, No. 92

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: Senate passed independent offices appropriation bill. House concurred in Senate amendments to Treasury-Post Office appropriation bill. House committee reported legislative-judiciary appropriation bill. Senate committee reported Army civil appropriation bill. Both Houses received President's recommendation for life insurance for Government employees. Sen. Aiken and Rep. Hope introduced bills to authorize banks for cooperatives to issue consolidated debentures.

SENATE

1. INDEPENDENT OFFICES APPROPRIATION BILL, 1955. Passed with amendments this bill, H. R. 8583. Senate conferees were appointed. Rejected amendments by Sens. Cooper and Kefauver to increase the amount for TVA. Rejected an amendment by Sen. Douglas to provide \$500,000 to GAO for efficiency audits pursuant to the Legislative Reorganization Act. (pp. 6433-48, 6458-63.)
2. ARMY CIVIL APPROPRIATION BILL, 1955. The Appropriations Committee reported with amendments this bill, H. R. 8367, which includes flood-control items (S. Rept. 1373)(p. 6429).
3. EMPLOYEES' INSURANCE. Both Houses received the President's message recommending group life insurance for Federal employees; to Post Office and Civil Service Committees (H. Doc. 398)(pp. 6468, 6485). The message includes the following statement: "Excepting those excluded by their own request or for administrative reasons, this plan would provide all civilian employees of the legislative, executive, and judicial branches with group life insurance approximately equal in amount to 1 year's salary during active service prior to age 65, and with reduced benefits thereafter. The amount would be doubled if the employee should die by accidental means. Employees retiring on an immediate annuity, after 15 years of service, would have insurance protection without further cost to them. Others terminating their employment would be able, without medical examination, to convert their insurance to individual policies at rates applicable to their attained age... The cost of the plan would be shared by the Government and participating employees, each agency paying from existing appropriations about half of its employee's costs."

4. ELECTRIFICATION. Passed without amendment S. 3090, to authorize the transmission and disposition of electric energy generated at Falcon Dam on the Rio Grande (pp. 6463-8).
5. NOMINATIONS. Received the nominations of the following to the National Science Board, National Science Foundation: Donald Hamilton McLaughlin, George Wilhelm Merck, Joseph Chandler Morris, William Vermillion Houston, James Bernard Macellwane, Douglas Whitaker, Theodore Martin Hesburgh, and Roger Adams (p. 6471).
6. RECLAMATION. Both Houses received Interior's report certifying that an adequate soil survey and land classification has been made of lands to be served by the South Platte supply canal, Colorado-Big Thompson project (pp. 6428, 6505).
7. COMMITTEE ASSIGNMENTS. Sen. Burke was transferred from the D. C. Committee to the Government Operations Committee. Sen. Lennon was transferred from the Government Operations Committee to the Interior and Insular Affairs Committee. (p. 6427.)
8. O&G LAND. Sen. Knowland indicated that S. 2225, the O&G land jurisdiction bill, will be debated today, May 20 (p. 6463). Sen. Morse submitted an amendment which he intends to propose to the bill (p. 6471).

HOUSE

9. TREASURY-POST OFFICE APPROPRIATION BILL, 1955. Concurred in the Senate amendments to this bill, H. R. 7893 (pp. 6472-3). This bill will now be sent to the President.
10. LEGISLATIVE-JUDICIARY APPROPRIATION BILL, 1955. The Appropriations Committee reported without amendment this bill, H. R. 9203 (H. Rept. 1614)(p. 6506).
11. TRANSPORTATION. The Interstate and Foreign Commerce Committee reported with amendment H. R. 7468, to regulate foreign motor carriers while in this country (H. Rept. 1628)(p. 6506).

BILLS INTRODUCED

12. FARM LOANS. S. 3487, by Sen. Aiken, and H. R. 9207, by Rep. Hope, to authorize the Central Bank for Cooperatives and the regional banks for cooperatives to issue consolidated debentures; to Senate Agriculture and Forestry Committee and House Agriculture Committee, respectively (pp. 6430, 6506).
13. TARIFF RATES. H. R. 9210, by Rep. Neal, H. R. 9213, by Rep. Staggers, and H. R. 9217, by Rep. Lane, to amend the Tariff Act of 1930 so as to provide a permanent procedure for adjustment of tariff rates on a selective basis, to regulate the flow of imported articles on a basis of fair competition with domestic articles, etc.; to Ways and Means Committee (p. 6507).

COMMITTEE HEARINGS RELEASED BY GPO

14. FLAMMABLE FABRICS. S. 3379, to amend the Flammable Fabrics Act so as to exempt fabrics and wearing apparel which are not highly flammable. S. Interstate and Foreign Commerce Committee.
15. GRAIN. S. 602, rules for loading and storage of grain. S. Interstate and Foreign Commerce Committee.
16. HOUSING. S. 2889, S. 2938, and S. 2949, proposed Housing Act of 1954. Part 3.

April 28, 1954, from the New England Council of Boston, Mass.

There being no objection, the release was ordered to be printed in the *RECORD*, as follows:

WASHINGTON, April 27.—Leading Yankee businessmen by a whopping ratio of 60 to 1 favor keeping the Federal deficit to a minimum for the fiscal year 1955 rather than cut taxes beyond Presidential recommendations, according to a survey by the New England Council.

The opinions expressed by almost 800 New England businessmen in a council survey were reported tonight at the annual reception to the New England congressional delegation by the council and the New England Association of Commercial Executives.

The businessmen were 702 to 14 in favor of keeping the 1955 deficit to a minimum and 399 to 85 against tax cuts beyond those recommended in the President's budget message.

They said that if a choice is necessary between easing up on the double taxation of dividends or increasing the personal income-tax exemption from \$600 to \$700, they preferred the former. The actual vote was 562 to 71 in favor of easing up on double taxation of dividends and 290 to 192 against increasing the personal exemption.

They favored United States participation in construction of the St. Lawrence seaway 481 to 228; they were against a national minimum wage of \$1 an hour to reduce North-South labor differentials 412 to 313, and they voted 526 to 189 against the methods used in the more widely publicized congressional investigations.

They were against Federal merchant marine subsidies 333 to 298 and in the field of agriculture, they were against farm price supports at 90 percent of parity by 540 to 27 and against abandonment of all farm price supports 325 to 192.

They favored adopting so-called flexible supports ranging from 75 percent to 90 percent of parity 397 to 137 and they were 253 to 218 in favor of letting farm products seek their own levels and making compensatory payments direct to farmers when market levels drop below a predetermined percentage of parity.

On the tariff question, they felt 399 to 230 that it would be beneficial to the overall New England economy if the President was granted broader powers to reduce tariffs gradually on a carefully selected step-by-step basis. They felt 201 to 136 that it would not be beneficial and 155 to 118 that it would be harmful on their own business.

Concerning social security, they were 456 to 277 in favor of expanding coverage and benefits.

Regarding Government defense contracts, they felt 398 to 184 that New England has received generally fair treatment in the award of Federal defense contracts.

On the Taft-Hartley law, they favored strengthening the secondary boycott provisions 589 to 47, and they favored returning authority to the States to regulate labor-management relations 479 to 183.

MORALITY IN POLITICS—EDITORIAL FROM THE BOSTON TRAVELER

Mr. KENNEDY. Mr. President, I ask unanimous consent to have printed in the *RECORD* an editorial entitled "Morality in Politics," which appeared in the *Boston Traveler* on Friday, April 23, 1954, and which discusses an able speech delivered by the Honorable James A. Farley.

There being no objection, the editorial was ordered to be printed in the *RECORD*, as follows:

MORALITY IN POLITICS

At the start of this week, a wise and seasoned political veteran came to Boston to give a speech at a Knights of Columbus dinner.

The things he said would make an excellent moral guide book, both for beginners with political ambitions and old-timers with political illusions.

The speaker was Jim Farley, and he identified his subject as The Role of the Catholic in Politics. His advice and observations, however, should not be restricted to Catholic politicians. They apply to Protestants, Jews, Catholics, and all other persons who seek political success, regardless of goal or role.

Farley said that the code of political ethics should be regarded as something as rigid as the moral code—that politics and morality are one and indivisible—that any attempt to differentiate between politics and morality means the loss of understanding and honor.

He reminded his listeners that power in politics could mean the loss of liberties, and that the abuse of power is at the root of all political evil.

He said further that "Politics is not a dirty business unless we allow it to become so. It is rather a most serious business which has need of the most high-minded and the most generous-hearted among us. Politics should be a joyous dedicated companionship toward advancement of man on earth, just as religion is a glorious companionship toward bringing final happy fulfillment in eternity."

Adherence to such a code could not fail to produce good government.

And of particular interest at this hour were these words from Farley: "We have all known men to grow pompous and arrogant in power. I am sorry to say there have been and are many Catholics among those who are brusque, rude, and even contemptuous in dealing with those who come before them. Such men come to regard themselves as masters of the people rather than as servants of the people."

Few men know politics as well as Jim Farley. His advice and observations are worth attention.

STATEMENT BY PRESIDENT OF THE PHILIPPINES REGARDING JOINT DECLARATION WITH THE UNITED STATES AGAINST COMMUNIST AGGRESSION IN INDOCHINA

Mr. KENNEDY. Mr. President, I ask unanimous consent to have printed in the *RECORD* a statement by President Ramon Magsaysay, issued in Manila on April 17, 1954.

There being no objection, the statement was ordered to be printed in the *RECORD*, as follows:

STATEMENT BY PRESIDENT RAMON MAGSAYSAY,
ISSUED IN MANILA APRIL 17, 1954

The Philippine Government agrees in principle with the United States proposal to issue a joint declaration against Communist aggression in Indochina. At an appropriate time we shall give more detailed consideration to the actual text of the declaration itself.

Our first concern is and has always been our national security. This concern today has become more grave with the deepening crisis in Indochina.

In the interest of our national security, it is our duty to strengthen ourselves in every way. But in the face of the Communist

peril in Asia, it has also become our grave duty to multiply our strength through joint action with our allies in the free world. It is particularly important to maintain our alliance with the United States, which is today the principal bulwark of the free world against Communist aggression and tyranny.

In the Indochina crisis, however, there is an element which is of great concern to the Philippines as an Asian country. This is the political element of independence of the peoples of Indochina.

I believe that the proposed declaration should contain an affirmation of the rights of all peoples to freedom and independence. Thus, it would not only be a warning against further Communist aggression in Asia but an assurance that the contemplated united action is aimed at the defense of the independence of the Indochinese peoples against Communist imperialism or any other threat.

The joint declaration, to have maximum effectiveness, should approach as closely as possible the guarantees of the Atlantic Charter. As a matter of fact, it should be the Asian equivalent of that historic document.

The PRESIDING OFFICER (Mr. BARRETT in the chair). Is there further morning business? If not, morning business is closed.

INDEPENDENT OFFICES APPROPRIATIONS, 1955

The Senate resumed the consideration of the bill (H. R. 8583) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1955, and for other purposes.

Mr. SALTONSTALL. Mr. President, I ask unanimous consent to have printed at this point in the *RECORD* a very brief statement about the effect of the bill.

There being no objection, the statement was ordered to be printed in the *RECORD*, as follows:

The bill as reported totals \$5,700,729,413, or an increase over the House of \$134,610,650. This increase includes \$32,678,760 allowed by the Senate committee on supplemental estimates of \$57,778,760 submitted to the Senate and not considered by the House, consisting mainly of \$25 million for Small Business' revolving fund and \$7,500,000 to Veterans' Administration general expenses. The restorations of House reductions by the Senate committee, therefore, amount to \$101,931,890, or 1.83 percent.

The largest item of restoration is \$42,819,600 to the Atomic Energy Commission. Next, in order of size of amount, is \$26 million to Tennessee Valley Authority, \$6 million to General Services Administration, \$3,378,750 to National Advisory Committee for Aeronautics, and \$3 million to National Science Foundation.

For the Veterans' Administration the bill includes \$454,000 of restoration for travel expenses, \$7,500,000 for the supplemental estimate to consolidate field operations, and 3 items over the budget estimates—\$10 million for outpatient dental fees, \$8 million for the Long Beach, Calif., paraplegic hospital, and \$80,000 to improve medical personnel quarters at Fargo, N. Dak.

The reduction by the House of \$100 million from the item for compensation and pensions does not mean a reduction or non-payment of any benefit to which a veteran is entitled. As was done last year, the required amount over the \$2,435,000,000 in the bill will be provided in a supplemental appropriation bill, at which time the amount can be more exactly ascertained.

Mr. SALTONSTALL. Mr. President, in the latter part of the session of yesterday, by unanimous consent, after agreement with the majority and the minority leaders and the Senator from South Carolina, the senior member of the Independent Offices Subcommittee of the Committee on Appropriations, the committee amendments were adopted en bloc. On instructions from the Appropriations Committee, at this time I should like to submit two additional amendments proposing changes in language. With the adoption of those amendments, the bill, insofar as the committee is concerned, will be complete.

I now submit and send to the desk the first of those amendments. It relates to the basic salary compensation of the special counsel for the Housing and Home Finance Agency.

The PRESIDING OFFICER (Mr. BEALL in the chair). The amendment will be stated.

The LEGISLATIVE CLERK. On page 28, in line 2, after the semicolon, it is proposed to insert the following:

The salary of a special counsel which shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency.

Mr. SALTONSTALL. Mr. President, the committee authorized me to report this amendment. The evidence for it is in the form of a letter from Mr. Albert M. Cole, Housing Administrator, which I should like to place in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MAY 14, 1954.

HON. LEVERETT SALTONSTALL,
Chairman, Independent Offices Subcommittee,
Committee on Appropriations,
United States Senate,
Washington, D. C.

DEAR SENATOR SALTONSTALL: I want to express to you and to the Members of the Subcommittee on Independent Offices of the Senate Committee on Appropriations my sincere appreciation of your inclusion, in the independent offices appropriation bill, 1954, of the provision which would place the compensation of Mr. Fitzpatrick, by General Counsel, at the same rate which he held prior to the recent changes in my office which, unfortunately, resulted in a substantial reduction of his salary. I have been out of the city on official business this week; otherwise I would have been in touch with you before.

As you know, since I took office as Housing and Home Finance Administrator over a year ago, Mr. Fitzpatrick has been serving both as my deputy and as my General Counsel. His performance has been outstanding, and he has been of great assistance to me. Some time ago, when it became necessary for me to undertake a major investigation of alleged irregularities and abuses in various FHA insurance programs, I appointed Mr. William F. McKenna as Deputy to devote his full time to the Agency's investigation. At that time, I asked Mr. Fitzpatrick to continue to serve as my General Counsel, indicating that I would not want him to lose any salary as a result of the organizational change.

I know intimately of the character of Mr. Fitzpatrick's work. No one has cooperated more fully with me or has done more to help me in carrying out my responsibilities

as Housing and Home Finance Administrator. In my opinion, Mr. Fitzpatrick is without question one of the most competent and hardworking officials in the Federal Government, and his integrity is indisputable. I know that my opinion is fully shared by the many Members of the Senate and the House of Representatives with whom his work has brought him into frequent contact.

It is my sincere hope that the Congress will retain this provision in the bill as finally enacted.

Sincerely yours,

ALBERT M. COLE,
Administrator.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Massachusetts [Mr. SALTONSTALL].

The amendment was agreed to.

Mr. SALTONSTALL. Mr. President, I offer another amendment which the committee has authorized me to report.

The PRESIDING OFFICER. The amendment offered by the Senator from Massachusetts will be stated.

The LEGISLATIVE CLERK. On page 47, line 5, after the word "care", it is proposed to insert the following: "Provided, That no part of this appropriation shall be available for outpatient dental services and treatment, or related dental appliances with respect to a service-connected dental disability which is not compensable in degree unless such condition or disability is shown to have been in existence at time of discharge and application for treatment is made within 1 year after discharge or by March 31, 1955, whichever is later: *Provided further*, That this limitation shall not apply to adjunct outpatient dental services or appliances for any dental condition associated with and held to be aggravating disability from such other service-incurred or service-aggravated injury or disease."

Mr. SALTONSTALL. Mr. President, a very brief explanation of this amendment is found on page 13 of the committee report, under the heading "Outpatient Care."

Last year the Congress adopted an amendment with respect to outpatient dental care, providing that a case must be reported within a year of discharge or prior to July 27, 1944. That amendment, as I say, was adopted by the Congress, but there is a backlog of cases which have not been completed. This year the same amendment was eliminated on the floor of the House on a point of order.

What the committee has done is to propose to extend the law as it now is until March 31, 1955. The committee has inserted an item of \$10 million, which is the estimate for carrying out this service. This will take care of the backlog of cases, and will also take care of any new cases, we hope, until that time. In addition it will give the appropriate legislative committees sufficient time to look into the problems involved. The amendment has the approval of the committee, and I am authorized to offer it.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Massachusetts.

The amendment was agreed to.

Mr. SALTONSTALL. Mr. President, so far as the committee is concerned, the bill is now in final form.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. DOUGLAS. Mr. President, I intend to propose 6 amendments to the bill, 5 of them calling for reductions in appropriations of approximately \$10 million. The sixth amendment which I intend to propose calls for an additional appropriation of \$500,000 for the General Accounting Office, so that the General Accounting Office may serve as a people's defender, or a taxpayer's defender before the Appropriations Committees of the House and Senate, or, if the House does not wish the services of the General Accounting Office, before the Appropriations Committee of the Senate. Additional information on appropriations matters would also be made available to individual Members of the House and Senate.

The six amendments taken as a whole, therefore, would produce net economies of approximately \$9½ million.

I have no criticism of the very able Appropriations Committee or of the eminent and distinguished Senator in charge of the bill [Mr. SALTONSTALL], but I think it is true that very frequently the Senate is excessively generous in its treatment of Government departments. The common procedure is for the House to practice economy, and then for the Senate, when the appropriation bills come before it, to temper the decisions of the House with excessive mercy. Some wag has suggested that this is the real reason why the Senate is sometimes called the upper House—because apparently we always "up" appropriations which have been approved by the House of Representatives.

So in the interest of economy, to which Members of the majority subscribed when they were in opposition, I shall offer these amendments in sequence.

The first amendment I offer is on page 18, line 22 of the bill, to replace the figure which the Senate committee recommended, of \$7,294,400, by the figure \$6,544,400, which is the amount provided by the House, thus effecting a saving of \$750,000.

The PRESIDING OFFICER. The committee proposes, on page 18, at the end of line-22, to strike out the figure \$6,544,400" and insert in lieu thereof "\$7,294,400." The question is on agreeing to the committee amendment.

Mr. DOUGLAS. Mr. President, the original budget request for this item was \$6,700,000; but when the House hearings were underway, and during the course of the hearings, an additional request of \$950,000 was subsequently made in order to finance a new program called the frequency-usage monitoring program. The House considered this new request and recommended that it should not be agreed to. The House committee report stated on page 11:

The amount requested for a frequency-usage monitoring program, in the amount of \$950,000, did not seem to the committee to be justified, and the committee has

specifically denied all funds requested for this purpose. The Federal Communications Commission is already engaged in extensive monitoring activities, as are the other departments which use radio communications; and if an effort is made to utilize the information already available, the primary objective sought by the new program can be achieved without additional appropriations.

This belated request by the Federal Communications Commission for an additional appropriation of \$950,000 was turned down both by the House committee and the House itself; but during the Senate committee hearings, as the record from page 160 on indicates, once again the request was made for \$950,000, and virtually the same justification was given. It was said to be necessary for security. Of course, security is a mystical word, and it can be used to justify almost any appropriation which is requested. I am certain that the House is just as much interested in the security of the United States as is the Senate. The House committee, after considering the claims for security, turned down this request for an appropriation. However, the Senate committee acceded to the extent of \$750,000. So, whatever the uncertainty may be about security, there is one thing that is certain, namely, that the program would provide 144 permanent new jobs, at an average salary of \$4,700.

Without wishing to stir up the lions or the elephants, I may say that I can picture the mouths of certain gentlemen watering at the thought of the additional 144 new jobs to monitor a communications system. The Senate committee would restore \$750,000 for the additional monitoring program. I believe the program can be postponed and possibly eliminated, thereby saving three-quarters of a million dollars. I hope very much the committee amendment will be rejected.

Mr. SALTONSTALL. Mr. President, the amount of money involved was included as a part of the overall program of the National Security Council. The FCC has been asked to carry out this program on the orders of the National Security Council. What has happened, I believe, and I say I believe, because I want to be conservative in my statement—is that there are two types of radio monitoring. The FCC, obviously, is doing type A, which has to do with listening to radio transmissions for the purpose of obtaining data concerning the nature of the information transmitted.

There is also involved radio monitoring to determine the use and the frequency of the use of the spectrum.

We have authorized funds for the Director of War Mobilization, which is Dr. Flemming's department, for the purpose of determining the use of the part of the radio spectrum assigned to the Government; that is to say half of the radio spectrum. The other half is for civilian use.

The FCC has been given the job of frequency monitoring the spectrum which is used by civilians. It is not for the purpose of ascertaining what is said, but to determine to what extent a frequency is used. In that way it affects

the national security, for, if a war should break out, it would be advantageous to know what frequencies could be best used for the purposes of the Government at that time.

Furthermore, aid is afforded the United States in working out international agreements with respect to the use of the spectrum. It is idle to monitor half of the spectrum, which is the half used by the Government, unless the half of the spectrum which is used by civilians is also monitored.

That is the purpose of putting this amount of money in the bill. It was the thought of the Federal Communications Commission that perhaps the subject was not fully understood when it was considered in the other House.

I say to my good friend from Illinois that it is my understanding also that the FCC is doing this work at the request of the National Security Council as a security measure.

Mr. DOUGLAS. Will the Senator from Massachusetts yield for a question?

Mr. SALTONSTALL. I yield to the Senator from Illinois.

Mr. DOUGLAS. Without violating security regulations, is it not true that the money involved in this item is not intended to monitor shortwave broadcasts used by hostile broadcasters? In other words, it is not to be used to detect possible enemy broadcasts and communications?

Mr. SALTONSTALL. It is my understanding that we want to know who is using the other half of the spectrum.

Mr. DOUGLAS. Without going into details, is it not true that there are other agencies of the Government which are monitoring a large part of the spectrum to determine whether or not enemy propaganda or enemy instructions are being shortwaved into the United States?

Mr. SALTONSTALL. That is perfectly true. The other monitoring, as I understand, is for the purpose of determining what is on the radio. However, there could be no monitoring, except such as would be provided for by the amount placed in the appropriation bill, for the other half of the spectrum.

Mr. DOUGLAS. The Senator means for that which is not monitored?

Mr. SALTONSTALL. Mr. President, this subject is very technical, and I fear that, perhaps, the Senator from Illinois will cause me to become confused. The monitoring that is recommended by the requested appropriation is to determine, not what is said on one side of the spectrum, but how much the various segments of the spectrum are used, so that, for instance, if, for security purposes in time of war, we wanted to employ it, we could say, "This segment of the spectrum is the least used; therefore, we can avail ourselves of it with the least damage to civilian uses."

Mr. DOUGLAS. I do not wish to utter a witticism at the expense of my good friend from Massachusetts, but I would suggest that if we find out which part of the spectrum is being used, we also at the same time find out which part of the spectrum is not being used. In that way we get something to subtract from

the whole spectrum, and we get the part which is not used, and it is not necessary to listen to that part in order not to hear anything.

Mr. SALTONSTALL. What the Senator from Illinois says, as I understand, is perhaps a part of the purpose of this requested appropriation.

Mr. DOUGLAS. I do not wish to be unfair to my good friend from Massachusetts, but what he is apparently doing is asking that we should spend \$750,000 to listen to things that are not there.

Mr. SALTONSTALL. That is partly true.

Mr. DOUGLAS. I believe that of itself condemns the appropriation.

Mr. SALTONSTALL. But no one is doing it now.

Mr. DOUGLAS. I do not believe anyone needs to do it.

Mr. SALTONSTALL. But we do not know what part of the spectrum is not being used.

Mr. DOUGLAS. This is beginning to look to me like busy work, to keep 144 deserving—if I may use the word "deserving"—citizens busy.

Mr. SALTONSTALL. My colleague from Illinois is extremely facile in his argument, but I do not quite agree with him. The purpose of the requested appropriation is to ascertain with respect to the half of the spectrum which is being used by civilians, how much any part of it is being used. We want to determine whether a certain segment is not being used at all, and we can determine that only by investigation.

Mr. DOUGLAS. I should like to point out to my friend from Massachusetts that he has already stated there are other agencies of the Government, such as the CIA, which are already listening to enemy propaganda, and presumably they have found this out, and therefore the subject is roughly covered, unless the Senator would like to have Government officials listen to what every ham operator in the country is saying.

Mr. SALTONSTALL. Another purpose is to provide an increased radio monitoring effort to improve the ability of the United States to safeguard against the operation of clandestine radio stations.

This necessary task has in the past been performed by the FCC, insofar as it could be done with its present limited monitoring facilities and personnel. This capability usually has been augmented by the voluntary or spontaneous assistance of radio spectrum users, including amateurs. In other words the purpose is to find out which segments are being used clandestinely and which are not being used at all.

Mr. DOUGLAS. The Senator from Massachusetts is now discussing a new justification, which is different from what was originally advanced, and which, if solidly based, is much more defensible. I thought the Senator from Massachusetts had said the work of detecting clandestine broadcasting from enemy sources was already being conducted by other agencies of the Government. If it is not being done by other

agencies, and if this is necessary in order to detect enemy propaganda or enemy instructions, of course I will be in favor of the appropriation, but I thought it was being done by other agencies, and this was mere surplusage.

Mr. SALTONSTALL. I may say to my distinguished colleague from Illinois that to the best knowledge of the committee this monitoring process is not now being carried on by any Government agency.

Mr. DOUGLAS. Is the purpose of it to detect the possibility of enemy broadcasting or hostile broadcasting?

Mr. SALTONSTALL. As I understand, it is not primarily to detect hostile broadcasts. It is to detect and determine the use of the whole spectrum.

Mr. MAYBANK. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. MAYBANK. It is my understanding that the two are tied in together. Unless we know who uses the spectrum we cannot intercept whatever message there may be. So this is a sort of prelude to ascertaining who controls the spectrum and what areas of it are controlled, so that a message may be intercepted. Is not that correct?

Mr. SALTONSTALL. The Senator is correct.

I may say to my colleague from Illinois that there are 10 reasons given for this monitoring program. I shall read the first 2 or 3:

1. To determine the impact of foreign usages of the radio spectrum upon the United States flag uses with especial reference to the position of the United States by comparison with the percentage of use by other nations.

2. To provide one of the necessary means for developing improved radio-spectrum management in the United States. Information regarding foreign uses of radio must be supplemented by knowledge of how the United States is using its own radio frequencies.

3. To promote the national security by providing an increased radio-monitoring effort to improve the ability of the United States to guard against the operation of clandestine radio stations.

There are seven other reasons, but I believe those which I have read are the most important.

Mr. DOUGLAS. Has the Senator from Massachusetts gone into the question personally?

Mr. SALTONSTALL. I listened to the testimony and tried to understand this very complicated problem. I have given the best explanation of it I can give. I cannot say that I went into it beyond the hearings and beyond the testimony of the Federal Communications Commission and the defense mobilization representatives, who stated that the additional appropriation was requested by the National Security Council.

Mr. DOUGLAS. In other words, what the Senator has gone into is a matter of what was published in the hearings at page 160 and following?

Mr. SALTONSTALL. That is correct. The Senator from South Carolina [Mr. MAYBANK] and I heard the testimony, and we believe that this very complicated and difficult study should be made.

Mr. DOUGLAS. Since the Senator has stated that his knowledge is confined to what is contained in the hearings, I think it might be appropriate to read the salient passages from the hearings, found on page 161 and following of the printed record.

Mr. MAYBANK. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. Mr. President, I love my colleague from South Carolina, and I should be glad to yield to him at all times, but I suggest that if he will permit me to finish my statement, I shall love him still more.

Mr. MAYBANK. I have no intention of not letting my distinguished friend and colleague finish his statement.

Mr. DOUGLAS. When I conclude my statement, I shall be delighted to yield to the Senator from South Carolina.

Mr. President on page 161 of the printed hearings, this item was taken up, and Mr. Hyde of the Federal Communications Commission was on the stand. I read:

Senator SALTONSTALL. This is a policing job?

Mr. HYDE. I believe it is more than that.

Senator SALTONSTALL. It is a security job?

Mr. HYDE. Yes. It is an exploration job. It is an appraisal of the availabilities in the spectrum.

Senator SALTONSTALL. It is preventing people from stealing frequencies that are being held out?

Mr. HYDE. Not quite. I would say no to that. We do a substantial policing job in order to prevent unlicensed and unauthorized use of channels domestically, but this job we are proposing here, which by the way is directed to that part of the spectrum which is useful for long distance or worldwide communications, is more a job of finding our place in the use of the spectrum and protecting such position as we get against inroads by other countries. The whole system is based on priorities. You get a right to use of a channel by finding it available, making a notification to the international frequency registration board, and then, of course, appropriating it or using it.

It might seem a simple thing to simply chart the spectrum and numerically mark off the channels. It does not work that way because the spectrum is used in various ways at different places. You have to survey it both from the standpoint of position, geographical position, and the use made in some other country or even in your own.

I should like to suggest that Mr. Hyde's testimony quite clearly indicates that this is not for the purpose of surveillance; it is not to ascertain whether hostile propaganda or hostile instructions are being beamed into this country. It is to provide information by which civilian agencies of the Government may make a better representation before international bodies charged with the allocation of wavelengths as between nations.

Therefore, unless we can get the personal interpretations of our colleagues, which need not go into detail, that this appropriation is vital to the security of the country, it seems to me it should be opposed.

I shall now be delighted to yield to the Senator from South Carolina.

Mr. MAYBANK. I am certain that the distinguished chairman of the subcommittee understood the reason why I

voted for the increase. I wish to read what Mr. Hyde said to me at page 160 of the record of the hearings:

Senator MAYBANK. Who recommended the program?

Mr. HYDE. The National Security Council, of which the President is the Chairman.

Senator MAYBANK. The National Security Council asked you to do this. You did not ask for it?

Mr. HYDE. No, sir. Our budget had been submitted before this request came to us.

Senator MAYBANK. Your budget was submitted before you ever asked for this?

Mr. HYDE. That is correct.

Senator MAYBANK. The National Security Council, under the President, asked for it?

I wish to say that I would not have voted for the increase if the National Security Council had not requested it.

Mr. DOUGLAS. This discussion indicates the difficulty under which legislative bodies operate in a period of cold war. It is possible for virtually any governmental agency to say that the appropriation which it requests is needed for security reasons. Then pressure upon the legislative body to agree to the request is very strong, because if one objects it can always be alleged that he is striking at the security of the United States.

I realize this difficulty, and I realize also that the strategic information which Members of the Senate and House may have personally should not necessarily be disclosed on the floor of either the Senate or the House. That is why I sought from the Senator from Massachusetts information as to whether he had personal knowledge about the matter which is contained in the printed record. If either the Senator from Massachusetts or the Senator from South Carolina has personal knowledge which is not contained in the record, I would be willing to withdraw my amendment. But the Senator from Massachusetts said that the only knowledge he had was based on the testimony which was taken. I submit that on the basis of the testimony all that is meant is merely civilian monitoring, in order to put the United States in a better bargaining position with international agencies. While some persons may think that three-quarters of a million dollars is not much money, it is, in reality, a lot of money.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. MAYBANK. I did not go into the details of what the Commission proposes to do because, as the Senator from Massachusetts well knows, when we have hearings on atomic-energy matters, and on other matters affecting the national security, I never attempt to ascertain the details. I only know that Mr. Hyde told me, in no uncertain terms, that the Security Council and the President of the United States believed this item was necessary. The Senator from Massachusetts was present when I asked Mr. Hyde the question, three times, "Do I understand correctly that the President of the United States and the Security Council want this to be done?" Mr. Hyde said "Yes." That was his reply on three different occasions. That is why I support the item.

I do not intend to go back on the President of the United States and the Security Council if they tell me they need \$750,000, which, I agree with the Senator from Illinois, is a large sum of money, in order to investigate the spectrum. Both the President and the Security Council have said that the money is necessary.

Mr. DOUGLAS. Would my good friend, the distinguished Senator from South Carolina, be willing to inform me if he has personal knowledge, aside from the testimony taken before the committee, that this item is vital to the security of the United States? Or is the Senator simply saying, "The National Security Council recommends it; therefore, I agree to it"?

Mr. MAYBANK. No; I say that from my cross-questioning of Mr. Hyde, which I read, I came to the conclusion, in my own mind, that the item was necessary. I have no knowledge of what is proposed to be done, beyond what is contained in the hearings, because I did not ask. If I had asked for an executive session, I am certain the Senator from Massachusetts would have granted my request. But I did not ask for it after I had been assured on three occasions that the President and the Security Council had requested the fund. I simply took it for granted that they, representing the executive branch of the Government, would not have asked for it if it was not necessary. But I have no other assurances.

Mr. DOUGLAS. If we were to have the personal assurance of either the Senator from Massachusetts or the Senator from South Carolina that he has knowledge which is not included in the printed record that the item is essential to the security of the United States, I would withdraw my amendment. The Senator from Massachusetts and the Senator from South Carolina are extremely honorable men; and being honorable men, they have also said that they do not have any knowledge other than that which is contained in the printed record. Therefore, we are all justified in operating on the basis of the printed record.

The sections of the printed record which I have read indicate that the item is purely for the purpose of civilian monitoring; that it is not connected with the detection of espionage or propaganda, which, presumably, I hope, is being carried on by other agencies, and that this item is merely to be used to put the United States in a better position for bargaining internationally.

According to the testimony following that on page 162, apparently the money is sought because the British are conducting a similar program, and apparently this is to be a form of competitive monitoring, to place this Nation in a better position to bargain with the British in the allocation of wavelengths in any international treaty. I do not think one has to be an Anglophile to be able to say that that type of competitive expenditure is not necessary.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. DOUGLAS. Certainly.

Mr. SALTONSTALL. The Senator from Illinois has quoted the testimony of Mr. Hyde on page 162 of the hearings.

Mr. DOUGLAS. I quoted from page 161. The last reference I made was to page 162, with respect to the British monitoring.

Mr. SALTONSTALL. I desire to mention another part of Mr. Hyde's testimony. The fact which influenced me was that stated by the distinguished Senator from South Carolina. Mr. Hyde testified, at the very bottom of page 162, as follows:

I mentioned we do not maintain a continuing sweep of the spectrum. We cannot do it with the facilities we have. But on occasion when it has been necessary to find new channels for a carrier which has been required to change its position due to treaty requirements, we will institute a search. That is the only way we do solve those problems.

It is not only for the purpose of bettering the position of the United States in an international conference on the use of the spectrum; but, as the statement points out, the Commission must have money with which to act especially when a carrier changes its position. This is an exceedingly complicated subject. If the Senator from Illinois can describe on the floor, so that we can all understand it, what the spectrum is and what the segments of the spectrum are, and how the allocations are determined on an international basis, I should be very much influenced by his opinion. But when the agency of the Government in charge of the program is ordered by the Security Council, under the direction of the President, to say that it is necessary, I felt that we should go along.

Mr. DOUGLAS. I have great respect for the Members of the Committee on Appropriations of the House of Representatives. They tend to go into budget questions a little more carefully, even than does the Senate Committee on Appropriations, because they have the primary responsibility for appropriations. Again I call attention to the fact that the House committee, in its report, stated as follows:

The amount requested for a frequency usage monitoring program in the amount of \$950,000 did not seem to the committee to be justified and the committee has specifically denied all funds requested for this purpose. The Federal Communications Commission is already engaged in extensive monitoring activities as are the other departments who use radio communications, and if an effort is made to utilize the information already available the primary objectives sought by the new program can be achieved without additional appropriations.

This is not the judgment of crackpots or uninformed persons; this is the judgment of the House Committee on Appropriations.

The PRESIDING OFFICER (Mr. PAYNE in the chair). The question is on agreeing to the amendment of the committee on page 18, line 22.

Mr. DOUGLAS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Barrett
Beall
Bennett
Butler, Md.
Carlson
Cooper
Daniel
Dirksen
Douglas
Dworschak
Ferguson
Fulbright
Gore
Hayden

Hill
Holland
Johnson, Tex.
Johnston, S. C.
Kefauver
Kennedy
Kilgore
Knowland
Long
Mansfield
Maybank
Murray
Pastore
Payne

Potter
Russell
Saltonstall
Schoeppel
Sparkman
Stennis
Thye
Upton
Watkins
Wiley
Williams
Young

Mr. SALTONSTALL. I announce that the Senator from Arizona [Mr. GOLDWATER], the Senator from Ohio [Mr. BRICKER], and the Senator from New Jersey [Mr. HENDRICKSON] are absent on official business.

The Senator from Connecticut [Mr. BUSH], the Senator from Nebraska [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from California [Mr. KUCHEL], the Senator from South Dakota [Mr. MUNDT], and the Senator from New Jersey [Mr. SMITH] are necessarily absent.

Mr. JOHNSON of Texas. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Kentucky [Mr. CLEMENTS], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Oklahoma [Mr. KERR], the Senator from New York [Mr. LEHMAN], the Senator from North Carolina [Mr. LENNON], the Senator from Oklahoma [Mr. MONROE], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Missouri [Mr. SYMINGTON] are absent on official business.

The Senator from Nevada [Mr. McCARRAN] is absent by leave of the Senate.

The PRESIDING OFFICER (Mr. PAYNE in the chair). A quorum is not present.

Mr. KNOWLAND. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. AIKEN, Mrs. FOWRING, Mr. BRIDGES, Mr. BURKE, Mr. BYRD, Mr. CASE, Mr. CORDON, Mr. DUFF, Mr. EASTLAND, Mr. ELLENDER, Mr. FLANDERS, Mr. FREAR, Mr. GEORGE, Mr. GILLETTE, Mr. GREEN, Mr. HENNINGS, Mr. HICKENLOOPER, Mr. HUNT, Mr. IVES, Mr. JACKSON, Mr. JENNER, Mr. JOHNSON of Colorado, Mr. LANGER, Mr. MAGNUSON, Mr. MALONE, Mr. MARTIN, Mr. MCCARTHY, Mr. McCLELLAN, Mr. MILLIKIN, Mr. MORSE, Mr. NEELY, Mr. PURTELL, Mr. SMATHERS, Mrs. SMITH of Maine, and Mr. WELKER entered the Chamber and answered to their names.

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the committee amendment on page 18, line 22.

Mr. KNOWLAND. On this amendment, I ask for the yeas and nays.

The PRESIDING OFFICER. The Chair will state that the question is on agreeing to the committee amendment.

Mr. DOUGLAS. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOUGLAS. I had understood that last night, just before the Senate recessed, the Senator from Massachusetts [Mr. SALTONSTALL] asked unanimous consent that the committee amendments be agreed to en bloc, and that Senators were then to be free to propose specific amendments to the bill, as amended by the committee. I should like to have the Senator from Massachusetts either confirm or deny that statement.

Mr. SALTONSTALL. Mr. President, that is my understanding. As I understand, so far as the committee is concerned, the bill is now in final form, and is open to amendment.

Mr. DOUGLAS. I thank the Senator from Massachusetts.

I ask that the amendment be read.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. Although I was not present in the Chamber at the time the agreement was entered into, I had been consulted in advance, as had the minority leader. My understanding was that, while the committee amendments would be agreed to en bloc, they would be adopted with the understanding that they in turn would be subject to amendment. It was understood that the bill would be considered de novo, and, therefore, any amendment to any section of the bill would be in order.

The PRESIDING OFFICER. The Chair will state that the case is not exactly as stated. The Senator from Massachusetts asked unanimous consent that the committee amendments be agreed to en bloc with the reservation that they might be open to amendment on the floor at the request of any Member of the Senate.

Mr. KNOWLAND. As it turns out in this particular case—I have not examined all the amendments of the Senator from Illinois, and I hope he will correct me if I am in error—his amendment on page 18, line 22, which is under the general heading of the Federal Communications Commission, proposes to strike out "\$7,294,500" and restore the original amount as it came from the House, which is \$6,544,400.

Mr. DOUGLAS. That is correct.

Mr. KNOWLAND. The net effect achieved, at least in reaching the Senator's objective, would not be different either by rejecting the committee amendment or by proceeding in the way he has suggested. If any of the Senator's amendments propose a different amount than that now in the bill, we would be faced with a different problem, and the committee amendment itself would have to be amended.

The PRESIDING OFFICER. At that time the question would be on agreeing to the amendment to the committee amendment.

The pending question is on agreeing to the committee amendment on page 18, line 22, and an affirmative vote would sustain the amendment of the committee, and a negative vote would serve to

strike out the amendment of the committee and revert to the appropriation contained in the House bill.

Mr. KNOWLAND. I am satisfied so long as the question is thoroughly understood.

The PRESIDING OFFICER. On the committee amendment the Senator from California has requested the yeas and nays.

The yeas and nays were ordered.

Mr. DOUGLAS. Mr. President, in view of the fact that there were only a few Senators present in the Chamber previously, I hope Senators will not object to my summarizing my argument.

The item under consideration concerns an additional appropriation for the Federal Communications Commission in the amount of \$750,000, to carry on additional monitoring of the wavelength spectrum. The amendment was proposed to the House committee after the budget had been submitted. It was rejected by the House committee and was rejected by the House itself. It was proposed again to the Senate committee in its hearings, and at that time it was accepted, and is now before the Senate.

In the discussion with the Senator from Massachusetts [Mr. SALTONSTALL] and the Senator from South Carolina [Mr. MAYBANK] I believe I am correct in saying it was brought out that the committee merely took oral testimony but did not go into the matter in private conversation outside the committee room. Therefore, the printed record is a fairly accurate description of the purposes sought to be accomplished.

From the printed record it is apparent that the additional appropriation is not sought for the purpose of monitoring or detecting clandestine broadcasts by enemy agents, and that it is not connected with what is commonly regarded as national security. The additional appropriation is apparently desired in order that we may have information available to us for use at international conferences in apportioning among the nations the various wavelengths, so that we may be on an equal basis, so far as this information is concerned, with Great Britain, which is presumed to have such information.

In other words, it is a competitive expenditure, apparently, for the purpose of improving our international bargaining position, and not for the purpose of detecting possible enemy propaganda or enemy espionage.

It is true that the requested appropriation comes to us with the recommendation of the National Security Council, and that therefore properly it should have grave weight attached to it.

I may say, Mr. President, that if I could have—and I made this clear in my previous statement—the personal assurance of either the honorable and distinguished Senator from Massachusetts [Mr. SALTONSTALL] or the honorable and distinguished Senator from South Carolina [Mr. MAYBANK] that this appropriation is concerned with detection of enemy propaganda or enemy instructions, I would, of course, withdraw my amendment.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. MAYBANK. If it is not possible to determine the spectrum—and I am perfectly frank to say to the distinguished Senator from Illinois that such determination is beyond my comprehension—it is impossible to get at those who may be suspect. The President of the United States and the Security Council sent Mr. Hyde before the committee to present the request for the proposed appropriation. He did not come on his own motion; in fact, he did not wish to come, but he was sent to appear before the committee and to present the request in behalf of the National Security Council and the President of the United States. Mr. Hyde was not the only one who was sent to appear before the committee. Representatives of the Maritime Commission, of the Navy, and of other groups were also directed to appear before the committee. All of them requested this appropriation. That is why I voted in favor of it.

Mr. DOUGLAS. I do not claim to be an expert in physics or electronics.

Mr. MAYBANK. I am not suggesting that at all.

Mr. DOUGLAS. No. However, Mr. Hyde testified that the item amounted to an appraisal of the availabilities in the spectrum and did not attempt to deal with clandestine communications. I may add that the spectrum is pretty well known to physicists. Apparently the purpose of the appropriation is to find out what specific wavelengths are now occupied in the high-frequency sections of the spectrum.

Since this is not a military affair and since it is not a national defense affair, I submit that we are justified in concluding that the House committee, which has these matters as much at heart as we, was correct.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 18, line 22.

The yeas and nays have been ordered, and the Secretary will call the roll.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DOUGLAS. Will the Chair state that a vote of "yea" is a vote in favor of the appropriation of \$7,294,400, and that a vote of "nay" is a vote in favor of the lower appropriation, \$6,544,000?

The PRESIDING OFFICER. The statement of the Senator from Illinois is correct.

The Chief Clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from Arizona [Mr. GOLDWATER], the Senator from Ohio [Mr. BRICKER], and the Senator from New Jersey [Mr. HENDRICKSON] are absent on official business.

The Senator from Connecticut [Mr. BUSH], the Senator from Nebraska [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from California [Mr. KUCHEL], the Senator from South Dakota [Mr. MUNDT], and the Senator

from New Jersey [Mr. SMITH] are necessarily absent.

If present and voting, the Senator from South Dakota [Mr. MUNDT] would vote "yea."

Mr. JOHNSON of Texas. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Kentucky [Mr. CLEMENTS], the Senator from Minnesota [Mr. HUMPHREY], the Senators from Oklahoma [Mr. KERR and Mr. MONRONEY], the Senator from New York [Mr. LEHMAN], the Senator from North Carolina [Mr. LENNON], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Missouri [Mr. SYMINGTON] are absent on official business.

The Senator from Nevada [Mr. McCARRAN] is absent by leave of the Senate.

The result was announced—yeas 69, nays 6, as follows:

YEAS—69

Aiken	Gore	Maybank
Barrett	Green	McCarthy
Beall	Hayden	McClellan
Bennett	Hennings	Millikin
Bowling	Hickenlooper	Morse
Bridges	Hill	Neely
Butler, Md.	Holland	Pastore
Byrd	Hunt	Payne
Carlson	Ives	Potter
Case	Jackson	Purtell
Cooper	Jenner	Russell
Cordon	Johnson, Colo.	Saltonstall
Daniel	Johnson, Tex.	Schoepfel
Dirksen	Johnston, S. C.	Smathers
Duff	Kefauver	Smith, Maine
Dworshak	Kennedy	Sparkman
Eastland	Kilgore	Stennis
Ellender	Knowland	Thye
Ferguson	Langer	Upton
Flanders	Magnuson	Watkins
Fulbright	Malone	Welker
George	Mansfield	Wiley
Gillette	Martin	Young

NAYS—6

Burke	Frear	Murray
Douglas	Long	Williams

NOT VOTING—20

Anderson	Goldwater	McCarran
Bricker	Hendrickson	Monroney
Bush	Humphrey	Mundt
Butler, Nebr.	Kerr	Robertson
Capehart	Kuchel	Smith, N. J.
Chavez	Lehman	Symington
Clements	Lennon	

So the committee amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. COOPER. Mr. President, for myself and on behalf of the distinguished senior Senator from Kansas [Mr. SCHOEPPEL], I offer amendments which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendments.

The LEGISLATIVE CLERK. On page 44, line 25, it is proposed to strike out "\$171,-876,300" and insert in lieu thereof "\$171,-922,300."

On page 45, line 1, it is proposed to strike out "fifteen" and insert in lieu thereof "twenty-six."

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from Kentucky for himself and on behalf of the Senator from Kansas [Mr. SCHOEPPEL].

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. SALTONSTALL. I have talked with the chairman of the committee, the distinguished Senator from New

Hampshire [Mr. BRIDGES], and the distinguished Senator from Kentucky about the proposed amendments. The situation is as follows: Two years ago there were 51 public relations officers in the Veterans' Administration. Last year, by compromise, the number was reduced to 26. The House at that time wanted to provide for only 15.

This year the administration, through the Director of the Bureau of the Budget, requested 26. Again, the House reduced the number to 15. The subcommittee increased the number to 26, but I observe that the full committee has again reverted to 15.

I support the action of the full committee, but I may say that the subcommittee, and I personally, feel that 26 is the proper number. After consultation with the chairman of the committee, I shall be glad to take the amendment to conference.

Mr. COOPER. I thank the Senator from Massachusetts.

I desire to make it clear that the amendment does not propose the retention of any public relations officers for the Veterans' Administration who are trying to sell to the public the benefits of the Administration. As the distinguished chairman of the subcommittee has said, the purpose of the amendment will be to enlarge the appropriation by the sum of \$46,000. Its effect will be to increase the number of public information officers in the Veterans' Administration from 15 to 26 who will advise and inform veterans of their rights and benefits.

Today, serving more than 20 million veterans, there are only 2 organizations within the Veterans' Administration which can do this work. One group consists of the Contact Division. It was a large organization, but it has been greatly reduced in the past 3 or 4 years from 900 offices to approximately 270. The other organization within the Administration that of public information offices which can give veterans notice and information of their rights would be reduced if the appropriation is reduced.

The amendment just offered is supported by Mr. H. V. Higley, the Administrator of the Veterans' Administration, and by all the veterans' organizations. I hope the Senate will agree to the amendment.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. SCHOEPPEL. I am glad to join with the Senator from Kentucky in offering the amendment. I am happy to note that the distinguished Senator from Massachusetts has indicated his willingness to take the amendment to conference. I desire to commend the distinguished Senator from Kentucky for moving to increase the appropriation, because ultimately it will give the veterans who are entitled thereto a greater degree of service. I felt, as I know the Senator from Kentucky felt, that if the appropriation had been curtailed, the service to the veterans who need it would also have been curtailed.

Mr. COOPER. I thank the Senator from Kansas, who has joined with me in offering the amendment.

The PRESIDING OFFICER. Does the Senator from Kentucky request that the amendments be considered en bloc?

Mr. COOPER. I so request.

The PRESIDING OFFICER. Without objection, the amendments offered by the Senator from Kentucky for himself and on behalf of the Senator from Kansas will be considered en bloc.

The question is on agreeing en bloc to the amendments offered by the Senator from Kentucky for himself and the Senator from Kansas.

The amendments were agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the two committee amendments, as amended.

The amendments, as amended, were agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. COOPER. Mr. President, I desire to address the chairman of the subcommittee. A few days ago, I wrote to the distinguished chairman of the subcommittee and asked him certain questions respecting the adequacy of the appropriations for certain veterans' hospitals in the State of Kentucky, specifically, the veterans' hospitals at Outwood, Ky., and Fort Thomas, Ky. Statements have been made that these hospitals would be closed or their bed space would be materially reduced.

I shall not repeat the questions to the distinguished chairman now, but I desire to ask that my letter to him be printed in the body of the RECORD. I hope the chairman will respond to the questions.

Mr. SALTONSTALL. I shall be glad to place in the RECORD at this point the letter of May 14, 1954, from the Senator from Kentucky to me, and the letter of May 18, 1954, from Mr. H. V. Higley, Administrator of the Veterans' Administration, to me, in which he answered in full the six questions asked by the Senator from Kentucky. We have gone over the answers, which I believe are entirely satisfactory to the Senator from Kentucky. Rather than read them at this time, I ask unanimous consent to have the correspondence printed at this point in the RECORD, as a reply to the Senator from Kentucky.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON ARMED SERVICES,
May 14, 1954.

HON. LEVERETT SALTONSTALL,
Senate Office Building,
Washington, D. C.

DEAR SENATOR SALTONSTALL: When the independent offices appropriation bill comes up for discussion on the floor, I expect to ask several questions which are of interest to our people in Kentucky. Among them are these:

1. Are sufficient funds available in the bill to provide for the continued operation of the Veterans' Hospital at Outwood, Ky., and Fort Thomas, Ky.?

2. Do the appropriations reflect any decision by the Veterans' Administration to reduce the number of available beds at either of these hospitals?

3. If additional medical personnel could be obtained for the Outwood Hospital, are the appropriations sufficient for additional

personnel and for increase in bed capacity if such personnel can be obtained?

4. Are funds available to provide for all service-connected cases?

5. Are funds available to provide for non-service-connected cases that are approved for treatment?

6. I have received complaints from various sources in Kentucky that veterans' compensation has been taken away or reduced because of a shortage of appropriations. Can you state if this is true? Can you state further if the bill which we are considering appropriates sufficient funds to provide compensation for all veterans' claims that are approved?

Sincerely yours,

JOHN SHERMAN COOPER.

VETERANS' ADMINISTRATION,
Washington, D. C., May 18, 1954.

Hon. LEVERETT SALTONSTALL,
United States Senate,
Washington, D. C.

DEAR SENATOR SALTONSTALL: The following answers are furnished in reply to the questions submitted to you by Senator COOPER, of Kentucky, under date of May 14, 1954, relative to the operations of the Veterans' Administration in the State of Kentucky:

1. Are sufficient funds available in the bill to provide for the continued operation of the veterans' hospital at Outwood, Ky., and Fort Thomas, Ky.?

Answer. Yes; funds will be available to continue the present operating level if the bill is passed as reported by the committee.

2. Do the appropriations reflect any decision by the Veterans' Administration to reduce the number of available beds at either of these hospitals?

Answer. No. The present plans are to continue operation during 1955 with no change in the current operating level.

3. If additional medical personnel could be obtained for the Outwood Hospital, are the appropriations sufficient for additional personnel and for increase in bed capacity if such personnel can be obtained?

Answer. The appropriations requested do not provide funds for any expansion in personnel or in bed capacity for the Outwood Hospital.

4. Are funds available to provide for all service-connected cases that are approved for treatment?

Answer. The appropriations requested will be adequate to provide medical care for all service-connected cases applying for such care.

5. Are funds available to provide for non-service-connected cases that are approved for treatment?

Answer. Funds will be available to provide medical care for non-service-connected cases that are approved for treatment provided beds are available after taking care of service-connected cases requiring such care. Obviously beds must be staffed.

6. I have received complaints from various sources in Kentucky that veterans' compensation has been taken away or reduced because of a shortage of appropriations. Can you state if this is true? Can you state further if the bill which we are considering appropriates sufficient funds to provide compensation for all veterans' claims that are approved?

Answer. Compensation has not been taken away or reduced in any manner because of a shortage in appropriations. There is attached hereto a copy of a letter written by the Deputy Administrator for Veterans Benefits to all managers at regional district offices concerning this subject. This letter was inserted in the 1955 independent offices appropriations hearings before the subcommittee of the Committee on Appropriations, House of Representatives, on page 1982. The bill which has been passed by the House and reported by the Senate Appropriations

Committee contains an amount for compensation and pensions which is \$100 million less than the amount estimated by the agency as needed to cover requirements during the 1955 fiscal year. However, on page 31 of Report No. 1428 from the House Committee on Appropriations, the statement is made: "The committee recognizes the fact that funds provided for this item are to meet firm obligations of the Federal Government, but that this is an estimate and if an additional amount is required during the next fiscal year, the committee will recommend funds to meet the situation." In view of this statement the testimony given before the Senate Appropriations Subcommittee was to the effect that restoration of this reduction would not be requested at this time and it is assumed that the Congress will provide additional funds if the situation demands.

Sincerely yours,

H. V. HIGLEY, Administrator.

DEPARTMENT OF VETERANS' BENEFITS,
VETERANS' ADMINISTRATION,
Washington, D. C., November 16, 1953.

To Managers, all VA regional offices, all VA district offices, and Acting Manager, Veterans' Benefits Office, District of Columbia.

Subject: Allegations that veterans are being informed by VA employees of reductions in disability compensation due to reduced appropriations made for the VA.

1. It has recently come to the attention of the VA that many veterans are alleging that their disability compensation has been reduced and that they have been informed by employees of the VA that such reductions were due to reduced appropriations for the VA.

2. The funds requested for the fiscal year 1954 for the appropriation "Compensation and pension" were reduced in the amount of \$300 million; however, this reduction was not directed toward reduced compensation or pension payments for either veterans or dependents of veterans.

3. The following statement on this subject is included in the report of the Senate Committee on Appropriations dated July 8, 1953:

"In agreeing to the reduction of \$300 million below the estimate of \$2,546,291,000 for 'Compensation and pensions,' the committee concurs with the statement of the House that such funds are to meet a contractual obligation of the Federal Government and if additional funds are required during the fiscal year, they will be recommended. Such reduction in total funds does not mean a denial of compensation or pension to which a deserving veteran is entitled."

4. It is therefore believed that sufficient funds will be available to meet all compensation and pension claims payable under existing laws, and as indicated above there would be no authority for the VA to either deny or reduce compensation or pension to which a veteran is entitled under existing laws.

5. It is not understood why any employee of the VA would inform a veteran that his disability compensation was being reduced due to a reduction in appropriations for the VA. You are requested to bring this matter to the attention of all employees to avoid any such occurrence in the future.

RALPH H. STONE,
Deputy Administrator.

Mr. COOPER. Another question I desire to ask is as follows:

If additional medical personnel can be obtained for the Outwood Hospital, are the appropriations sufficient for additional personnel and for an increase in bed capacity if such personnel can be obtained?

The answer was:

The appropriations requested do not provide funds for any expansion in personnel or in bed capacity for the Outwood Hospital.

I desire to ask the Senator from Massachusetts if it is not correct that if such personnel could be secured, and if the Veterans' Administration agreed that such expansion should be made, it would be possible, under the statutes for the Veterans' Administration to transfer funds within the total appropriations for veterans' hospitals for increasing the bed capacity of Outwood Hospital.

Mr. SALTONSTALL. Mr. Higley and Admiral Boone, of the Veterans' Administration, who appeared before the committee, said they were satisfied that the amounts in the budget were sufficient to operate, in a proper way, the hospitals under the Veterans' Administration. They said that if the appropriations were not sufficient, they would request an additional sum in a supplementary appropriation. Therefore, my answer can be only a general answer; but it is in the affirmative, to the best of my knowledge.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. DOUGLAS. Mr. President, I call up my amendment No. 3 on the mimeographed sheets which I distributed. I ask that the amendment be stated, and that the Chair make a parliamentary ruling in regard to it.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 22, lines 20 to 23, it is proposed to strike out:

Buildings management funds: For additional working capital for the "Buildings management fund," authorized by the act approved July 12, 1952 (66 Stat. 594), \$2 million, to remain available without fiscal year limitation.

Mr. DOUGLAS. Mr. President, the amendment which I submitted was in the form of striking out the committee amendment which I understood had been adopted and become part of the bill. If it is the ruling of the Chair that the amendment of the committee should be considered, then I urge that the amendment of the committee be rejected.

The PRESIDING OFFICER. The parliamentary situation is the same as with regard to the last amendment offered by the Senator from Illinois.

Mr. DOUGLAS. Mr. President, last year at this time the General Services Administration asked for a \$6 million revolving fund. At that time I made a fight on the floor against it, and we were successful in reducing the amount, if my memory serves me, to \$3 million. This year the General Services Administration made a request for an additional \$3 million. So they want to get two bites at what Congress denied them last year. The House committee considered the question very carefully, and stated, as I read from page 15 of the House report:

There is \$3 million available now and the Budget proposes to increase this amount to \$6 million. The committee is of the opinion that the additional working capital is not required and that the General Services Administration can operate satisfactorily

through additional advance billings and more vigorous collection efforts.

Mr. President, I have very serious doubt about the value of revolving funds. They represent a method of eliminating congressional review of agency expenditures. I have heard the senior Senator from Virginia [Mr. BYRD] on numerous occasions speak both lucidly and with great logic in seeking to reduce or eliminate revolving funds which are placed outside congressional control. It is said that the revolving fund will enable the General Services Administration to effect economies in connection with management of buildings. Congress has already appropriated \$3 million for that purpose. If \$3 million more are appropriated, we shall place such funds outside our control, and we will not know the purposes to which such funds are put. It would seem to me, therefore, that we could certainly postpone such appropriation, and by so doing save the \$3 million which the committee is proposing to appropriate for such purpose.

Mr. SALTONSTALL. Mr. President, I hope the amendment of the Senator from Illinois will not be adopted, for the reason that in 1952 a revolving fund was authorized in the amount of \$10 million. Last year, after argument, the Senate agreed to an appropriation of \$3 million. The administration this year asked for an increase of \$3 million; the Senate committee has provided for an increase of \$2 million to \$5 million. This is not money being spent; it is money being appropriated for a revolving fund to pay \$145 million worth of bills, incurred for operating buildings to house the various departments. The purpose of increasing the revolving fund from \$3 million to \$5 million is to provide funds so that bills may be paid, and money thereby saved through discounts. For example, in security guarding, rent, and operations, there is a lag of 45 days, which equals three twenty-fourths of \$16 million; in telephone and rapid written communications there is a 60-day lag, which equals one-sixth of \$12 million; on job orders there is a 105-day lag, which equals seven twenty-fourths of \$7 million.

Congress does have a review of the situation, because Congress has appropriated \$145 million which goes to various departments, which departments reimburse the General Services Administration for having paid the bills of the departments for housekeeping expense.

Mr. DOUGLAS. May I ask whether the Senator from Massachusetts is speaking to the amendment on page 22, lines 20 to 23?

Mr. SALTONSTALL. I was speaking to the amendment of the Senator from Illinois relating to the buildings management fund.

Mr. DOUGLAS. I thought the discussion of the Senator from Massachusetts was devoted to the general supply fund, which is the next appropriation.

Mr. SALTONSTALL. No; that is still another fund to centralize purchase of common supply items, such as for desks, and that kind of supplies. The revolving fund in question is to take care of the building management problems,

such as telephones, security guards, and that sort of expense. They are all handled by the General Services Administration. There is \$145 million worth of services, with \$10 million authorized for the revolving fund, and an appropriation at the present time of only \$3 million.

Mr. CORDON. Mr. President, will the Senator from Massachusetts yield?

Mr. SALTONSTALL. I yield to the Senator from Oregon.

Mr. CORDON. Is not the Senator from Oregon correct in his understanding that the total of the buildings management fund is \$145 million, but that \$110 million of that is financed by actual appropriation and \$35 million is financed by transfers from other departments of Government to the General Services Administration; but the \$110 million is appropriated to General Services Administration?

Mr. SALTONSTALL. The Senator from Oregon is correct.

Mr. CORDON. Is it not also a fact that the revolving fund is in an amount necessary to enable the General Services Administration to pay bills in connection with a service obligation of \$35 million, for which General Services Administration will be reimbursed by other agencies occupying Federal buildings?

Mr. SALTONSTALL. That is my understanding, and I appreciate the Senator's making that clear.

Mr. DOUGLAS. I suggest to my good friend from Massachusetts that if that be true, and if an attempt is being made to try to cover up for the slowness of other Government agencies in paying rent to General Services Administration, the need for an added appropriation could be removed by having such Government agencies pay their rent promptly. Moreover, the House committee has declared that this appropriation is not required.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee, on page 22, after line 19.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. KEFAUVER. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 43, line 4, in lieu of "\$129,582,000" it is proposed to insert "\$159,582,000."

On page 43, after the word "Provided", in line 7, it is proposed to insert:

That \$30,000,000 of such funds shall be available only for commencement of the construction of the Fulton steam plant: *Provided further.*

The PRESIDING OFFICER. It is the understanding of the Chair that the Senator from Tennessee desires the amendments to be considered en bloc?

Mr. KEFAUVER. That is correct.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KEFAUVER. Mr. President, the decisions we make today concerning the Tennessee Valley Authority are extremely important. I should like to commend the members of the Senate Committee

on Appropriations for exercising considerable vision in their actions. What they have proposed is not what I would like, but it is a vast improvement over what the House voted. In restoring \$26 million to the TVA budget the Committee has neutralized approximately two-thirds of the violence that had been done to that budget by the House of Representatives.

Of course, the \$129,582,000 recommended is still more than \$12 million below the "dry bones" appropriation recommended by the Bureau of the Budget, and is more than \$58 million below the appropriation Congress made to TVA for the current fiscal year. Nevertheless, Mr. President, the friends of the Tennessee Valley Authority are grateful to the Appropriations Committee for its recommendation.

I think the committee used extraordinarily good judgment in voting to restore \$600,000 to the amount of the TVA appropriation that can be spent for resource development. As the proposed appropriation now stands, the TVA may spend \$1,200,000 for this vital, worthwhile work, with the other half being derived from the proceeds of operations.

I should be happy to vote for doubling, tripling, or even quadrupling that amount, for I think money spent on resource development is among the soundest investments the Government can make.

Resource development is included in the TVA program to meet the basic requirement of the TVA Act, which directed the agency to pursue a unified development program for all of the resources in the 7-State valley area. This type of activity covers agriculture, forestry, mineral resources, tributary watershed, stream pollution, fish and wildlife conservation, and similar activities. It has been pursued on a logical basis, through soil-conservation programs, tributary watershed development, reforestation, and other necessary adjuncts to flood control.

The TVA's resource development program is the focal point of various State and Federal functions in the field, although the TVA's own part in these functions is rather small from a dollar standpoint. The TVA is largely a coordinating agency for State and local governments that actually do most of the work in resource development. Twenty years ago, the Valley States were spending only about \$8 million in developing their resources. Today, with the TVA's program and encouragement, they are spending upwards of \$40 million. What better example is there of having the Federal Government and local people work hand in glove for the benefit of all?

It is safe to predict that the additional \$600,000 approved by the committee, for resource development, will be repaid many times over in benefits to the entire Nation.

By emphasizing this particular restoration, I do not mean to play down the tremendous importance of another committee recommendation, namely, elimination of \$25,270,500 from the amount the House of Representatives decreed should be financed from the TVA's cor-

porate budget or from operations. Without the committee's recommendation, the TVA would be very seriously handicapped indeed.

In submitting the amendment that calls for the construction of the long-delayed Fulton steam plant, near Memphis, I wish to say that I have felt, and I still feel, that the best course for the taxpayers of the Nation is to approve construction of this plant, so the TVA can continue furnishing power to the Atomic Energy Commission.

The Appropriations Committee has set June 10 as the date for the AEC to make a decision as to where it is going to get its power: Whether it is to be supplied by private power companies or by TVA. It seems to me that June 10 should be marked in red on the calendars of every official of the AEC, the TVA, and the Bureau of the Budget, to say nothing of the members of the Appropriations Committee.

There is no doubt in my mind that the TVA is the logical and best source of this power. But if the administration is going to decide otherwise, at a needless increase in cost to the taxpayers of all the Nation, then I want the decision made quickly.

We in the valley cannot go on, year after year, wondering when our lights are going to be dimmed. We must have these policy decisions made. I promise that when they are made, Congress will know the facts, for I am sure that I and many others will lay before Congress the facts regarding what have been the accomplishments of the TVA in providing power for the Atomic Energy Commission, for the benefit of all the Nation.

Mr. President, the pending amendment would add \$30 million to the bill, as amended, for the purpose of enabling the TVA to begin the construction of the Fulton steam plant, at Memphis, Tenn.

In this connection, the facts are that the TVA has been estimating its power needs over the period of its operations, and has done so with uncanny accuracy. On a 3-year basis, the length of time for which estimates must be made, because it takes 3 years to build a steam plant or a hydroelectric facility, the TVA has actually somewhat underestimated the needs for power in the valley.

I have before me the hearings held last year by the Subcommittee on Independent Offices Appropriations, of the Senate Appropriations Committee. In those hearings there is included a table which I now ask unanimous consent to have printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

[Millions of kilowatts]

Year	Estimated demand	Actual demand
1950.....	2.7	3.2
1951.....	2.9	3.8
1952.....	3.5	4.2
1953.....	4.4	-----
1954.....	6.1	-----
1955.....	7.1	-----
1956.....	9.6	-----

[Millions of kilowatts]

Year	Estimates by TVA 2 years in advance	Actual demand
1947.....	1.8	2.2
1948.....	2.2	2.5
1949.....	2.5	2.7

Mr. KEFAUVER. Mr. President, the table shows that in its estimates for 1947, 1948, 1949, 1950, 1951, 1952, and 1953—all the estimates reported in these hearings—the TVA has, on the average, somewhat underestimated its power needs.

Last year the testimony was—and it was generally conceded, I believe, on the floor of the Senate—that the TVA would need approximately 700,000 kilowatts of installed capacity for 1956. That was well substantiated by the record. But last year it was stated on the floor of the Senate that the matter would be studied and looked into again, and that if it were found that there was further need for 1956, it could be taken care of at this time. However, it has not been taken care of.

Furthermore, there is still a need for approximately 700,000 kilowatts of installed capacity for 1957. The appropriation last year and the appropriation this year do not provide for the beginning of any new facility for the production of electricity. So unless something is done at the present time, the TVA will be approximately 1,400,000 kilowatts of capacity behind in 1957, because no provision is made in that respect for either 1956 or 1957.

At page 360 of the hearings held before the Independent Offices Appropriations Subcommittee of the Senate Appropriations Committee, appears the testimony of Mr. Clapp. His testimony is not contradicted; the hearings do not contain any testimony contradicting or denying the statements, conclusions, and estimates made by him. He testified that if provision is made—and some negotiations in that connection are pending—whereby private power interests will supply 600,000 kilowatts of power to the Atomic Energy Commission's plant at Paducah, so as to permit the TVA to return that much power to its own system, the TVA will still need 850,000 kilowatts of new capacity. From page 360 of the hearings, two-thirds of the way down the page, I desire to read several statements, as follows:

NEW CONSTRUCTION NEEDED

Mr. CLAPP. If we do get back the 600,000 from the AEC we would need to begin construction of 850,000 kilowatts of new capacity to become available by 1957. If we continue to serve the AEC with this 600,000 kilowatts at Paducah, in our judgment, in order to be on the safe side, for 1957, we ought to start building a program that would total 1,450,000 kilowatts of new capacity.

That figure is large because this year we are not making substantial additions in new starts. We have thus lost a year in starting new capacity, while our loads continue to grow.

Senator HILL. Do you have the estimates of how much appropriation you would need this year to meet your situation if you got the 600,000 kilowatts back?

How much would you need in appropriations to meet the situation if you did not get back the 600,000?

Mr. CLAPP. I can give you those figures, Senator, if you will give me just a minute.

A safe figure on that, Senator, would be about \$85 million.

Senator HILL. You mean if you got back the 600,000 or if you did not get it back? I want that clear for the record.

Mr. CLAPP. If we do not get back the 600,000 kilowatts from the AEC we would then need about \$85 million to start the new steam plants and new units in order to achieve the kind of margin we think we ought to have by 1957.

Senator HILL. If you do get back 600,000, how much would you need?

Mr. CLAPP. We would need at least half of that.

Senator HILL. You would need at least half of that; some \$45 million, say.

Mr. CLAPP. Call it \$45 million.

Senator HILL. And even if you get back the 600,000 but do not get any additional funds, you would foresee a shortage in 1957?

In other words, Mr. President, Mr. Clapp's testimony was that if the 600,000 kilowatts are returned to the TVA, in case a private power interest furnishes the 600,000 kilowatts, the TVA will need \$45 million.

Mr. President, this is the situation confronting the users of electricity in the valley at the present time: They have been trying to negotiate with some private utility companies, to have them furnish 600,000 kilowatts to the Atomic Energy Commission's plant at Paducah, so as to allow the TVA's steam plant there to return that much power to the TVA's system. Up to this point the negotiations have been highly unsatisfactory. A contract was proposed by the Mid-south Utility and Southern Co. to build a steam plant which everyone conceded would be unfair to the Government, in that it would cost a much greater amount than it should. So, as matters now stand, no contract has been entered into; and, so far as I know, there are no bright prospects for any satisfactory contract by means of which to obtain 600,000 kilowatts of power from private sources for the Atomic Energy Commission, in order to replace the TVA's output there.

Thus, Mr. President, I do not believe we can afford to take a chance on negotiating such a contract, in view of the unsatisfactory record up to this point. No showing has been made that any private power sources will furnish power at a reasonable cost that will be acceptable to the Government; and time is running out. If the TVA is going to furnish this power, it needs to start building a steam plant. The TVA is already 1 year behind, and it takes 3 years to build such a plant.

But, Mr. President, even if a contract could be entered into, whereby private-power sources would furnish 600,000 kilowatts, the uncontroverted testimony is that for 1957, the TVA would still be 850,000 kilowatts behind. Thus, in any event the TVA needs to get start-

ed on the Fulton steam plant, near Memphis, Tenn., which is the center of an area which needs power very, very badly, and must have it. There is no contradictory testimony about that. The additional \$30 million, called for by my amendment, at least would enable the TVA to get started. This is about \$18 million above the President's estimated budget.

I hope that the TVA may be able to have its own source of power. It seems to me entirely unfair to this fine agency, which has such an excellent record, to require it, by statute, to repay the investment to the Federal Government in 40 years, and yet not permit it to have its own sources of power. If it is forced to buy power somewhere else, even if it can obtain it at a very high rate—which it would have to pay for it—that will cut down its ability to repay the investment to the Federal Government.

The record is entirely clear and uncontradicted that, whether or not private-power companies build a steam plant to furnish some of the power for the TVA system or the Paducah atomic-energy plant, the new facility must be started quickly. This amendment is for that purpose.

The distinguished Senator from Massachusetts, who has been so thoughtful, pleasant, and kind about the matter, stated at the hearing on this subject last year that the question would be looked into again. This year we come forward with a clear report that there will be a power shortage. It is not shown that any contract is to be entered into which will take care of the needs. I hope Members of the Senate will give this agency an opportunity to have its own source of power, to furnish its own customers, so that it may continue to operate efficiently and repay the Federal Government the investment it has in TVA.

Mr. SALTONSTALL. Mr. President, to reply briefly to my colleague from Tennessee, this amendment raises the old question of whether or not we should build new steam plants on the TVA system. This year the Bureau of the Budget did not recommend the starting of any new steam plants. The Atomic Energy Commission is the largest user of TVA power. The manager of the Atomic Energy Commission testified before the subcommittee. He indicated that a contract was being negotiated with private power interests which, for the first time, seemed to indicate that, eliminating the element of taxes, the power might be furnished at a lower cost than the TVA could furnish it. He wanted further time to develop that contract.

At a later date I communicated with him and told him that time was running out. I communicated with Mr. Nichols, of the Atomic Energy Commission, and also Mr. Hughes, the Budget Director. It was stated that since they appeared before the subcommittee, another group of private utilities, a responsible group, had made a tentative offer which was even lower than the offer by private power interests for the increased power which was first considered. For that

reason, as chairman of the subcommittee, I wrote on May 14 to Mr. Hughes, Director of the Budget, and requested that he reply by June 10. His reply was that he could not obtain the information and place it in our hands before the present budget was considered, for the reason that the new offer had to be analyzed.

The present situation is this: There is a demand for an increased amount of power to the extent of approximately 500,000 or 600,000 kilowatts. Private interests state that they can furnish that amount of power. There are indications that they can furnish it at a satisfactory rate, but as yet no contract has been entered into.

The bill has been reported without any provision for additional steam plants, and without any provision for contracts with the power companies, because they have not been negotiated. I wrote a letter to Mr. Hughes stating that we must have certain information before June 10 if the appropriation is to be included in a supplementary budget.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I am almost through.

So no additional capital improvements are included in the TVA appropriation for this year, except for an amount of \$12 million to complete some transmission facilities which are already under construction. By the time the supplementary budget comes along, we hope to have knowledge of contracts with private utilities.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield to the Senator from Tennessee.

Mr. KEFAUVER. Did I correctly understand the Senator to indicate that negotiations will be completed by the time the supplemental budget comes along?

Mr. SALTONSTALL. Yes. I think the Senate will have that information available before it completes its work this year.

Mr. KEFAUVER. If no satisfactory contract is reached for the furnishing by private power companies of 600,000 kilowatts of installed capacity, will there be time to consider and include in a supplemental bill an appropriation to take care of the matter?

Mr. SALTONSTALL. It is my understanding that the Appropriations Committees and both Houses of Congress could consider that subject in a supplemental bill if it were necessary. Up to the present time it is not believed to be necessary. I should not wish to commit myself without knowing what the evidence was.

Mr. KEFAUVER. The Senator said that there was need for 500,000 or 600,000 kilowatts. In case no contract or agreement is consummated, will the subject be given further consideration in connection with a supplemental appropriation?

Mr. SALTONSTALL. It will receive further consideration in any event, because, in my opinion, the subcommittee

handling the independent offices appropriations is under obligation to obtain definite evidence on the question of a contract between the Atomic Energy Commission and private power interests, in order to make sure that sufficient power is available.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. FULBRIGHT. In confirmation of what the Senator from Massachusetts [Mr. SALTONSTALL] has said about the proposal, I may say that, as the Senator from Tennessee [Mr. KEFAUVER] stated, the Mid-South Utility and Southern Co. operates in my State. The Mid-South Utility and the Southern Co. were the ones which originated the first offer. I am informed by the chairman of the board of the Arkansas Power & Light Co., Mr. Moses, whom the Senator from Massachusetts knows, that an offer such as has been described was made, but that a second offer, from another company, has delayed consummation of the contract.

Mr. SALTONSTALL. That is correct.

Mr. FULBRIGHT. Mr. Moses and the president of Mid-South have told me that they have made a bona fide, firm offer, which would provide a rate for the Atomic Energy Commission as low as the TVA rate, or perhaps a little lower, except for taxes. That is the only difference. I think they know what they are talking about.

It is proposed that the projected steam plant be built on the banks of the Mississippi River. I am hopeful that it will be built in Arkansas, of course.

I wish to make it clear to the Senator from Tennessee that I have always supported appropriations for TVA. However, if the facts are as I believe them to be, I see no reason why private capital should not build the plant to supply 600,000 kilowatts to the Atomic Energy Commission, if private capital can meet the TVA rate, except for the element of taxes—taxes being the only difference.

I am unable to see that such a plan would involve any injury to TVA. Senators interested in TVA have been very generous in voting for appropriations for that agency. I do not see how it would be harmed. There is a great additional demand for power arising from the Atomic Energy Commission, and it is proposed that private capital build this plant to supply that demand. It seems to me to be a rather ingenious and intelligent cooperative proposal by the private companies. I think the position the committee has taken is quite sound.

Mr. SALTONSTALL. I thank the Senator. He has stated exactly what is my understanding of the present situation. The reason the matter is being held up is that the new offer has come in and it is desired to determine which is the best and most reliable offer.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I should like to put into the RECORD the correspondence between Mr. Hughes, of the Bureau of the Budget, and myself on this question, so that it may be a part of the RECORD for the benefit of the Members of the

Senate who are particularly interested in the situation. I ask unanimous consent that the correspondence may be printed in the RECORD at this point in my remarks.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., May 10, 1954.

Hon. LEVERETT SALTONSTALL,
Chairman, Independent Offices Subcommittee, Committee on Appropriations, United States Senate,
Washington, D. C.

MY DEAR MR. CHAIRMAN: In response to your request, this letter is to advise you of the status of negotiations to supply the Atomic Energy Commission from private sources with from 500,000 to 600,000 kilowatts of power, as contemplated by the 1955 budget.

In accordance with the policies set forth in the budget message, AEC, at the request of the Bureau of the Budget, has been negotiating with a group of private utilities to furnish this power. A firm proposal has been received from Middle South Utilities, Inc., and the Southern Co. to provide AEC with 600,000 kilowatts of power. This proposal is under consideration. More recent developments indicate the possibility of other proposals. The AEC is now exploring this possibility.

Under these circumstances it is not possible to present to your committee at this time a definite conclusion as to the means of meeting the prospective additional power load in the Tennessee Valley Authority area. However, consideration of all valid proposals will proceed so that if necessary a supplemental estimate to provide funds for additional steam generating capacity for TVA may be transmitted to the Congress in time for inclusion in the final supplemental appropriation bill.

This course of action will allow adequate consideration of any valid proposals which may be made without in any way foreclosing consideration of additional generating capacity for TVA if that should be determined to be the better course. If approved, the funds would be available to TVA at approximately the same time as though they were included in the Independent Offices appropriation bill. This should allow adequate time so that the new facilities could be in service to meet 1957 needs.

Sincerely yours,

ROWLAND HUGHES, Director.

MAY 14, 1954.

Hon. ROWLAND HUGHES,
Director, Bureau of the Budget,
Washington, D. C.

MY DEAR MR. HUGHES: Thank you for your letter of May 10 relating to the status of negotiations to supply the Atomic Energy Commission from private sources with from 500,000 to 600,000 kilowatts of power, as contemplated by the 1955 budget.

I note that you are considering several proposals and you state it is not possible to present to the committee at this time a definite conclusion as to the means of meeting the prospective additional power load in the Tennessee Valley Authority area, and you suggest it may be necessary to submit a supplemental estimate for consideration on the last appropriation bill considered in this session.

It is the purpose of this committee, as has been announced by Chairman BRIDGES to complete all appropriation bills by July 1. Therefore, if the committee is to have time to consider such supplemental estimate, it should be submitted to the Congress not later than June 10.

We will appreciate your cooperation with the committee in submitting the estimate by that time if it is to be considered at this session of the Congress, or advising the committee by that time in case no estimate is to be submitted, with a report as to the status of the negotiations.

Sincerely yours,

Chairman, Independent Offices Subcommittee, Committee on Appropriations.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. KEFAUVER. I appreciate very much the friendship of the distinguished Senator from Arkansas for the TVA, and I appreciate his viewpoint as expressed here today. In order that Members of the Senate may have the benefit of the offer originally made by the Midsouth Utility & Southern Co., which is the first group that has made a bid to build the steam plant across the river from Memphis, I refer them to a discussion of the proposal and colloquy in connection with it in the hearings before the Committee on Appropriations of the House of Representatives of this year on the independent offices bill, at page 2554 and following.

I do not know if it is the same proposal which has now been made. I do know that another group, of which Mr. Lucius Burch is attorney, who is a friend of the Senator from Arkansas and of mine, has also made another offer. What the details of the offer are I do not know. My feeling is that the TVA ought to be entitled to have its own supply of power.

However, I ask the Senator from Massachusetts whether it is not true, insofar as the testimony before the committee this year is concerned, even if the steam plant is built by private utility companies, there is a showing that there would still be a shortage of some 600,000 or 700,000 kilowatts by 1957.

Mr. SALTONSTALL. I will say to the Senator from Tennessee that that is a debatable point. Some persons contend there will be a shortage, and others say there will not be a shortage. The important thing in connection with a supplementary budget is to be sure that there is enough power for the atomic energy plants operating in the locality, which are expensive, but which it is necessary to maintain.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. FULBRIGHT. To extend what I was saying a moment ago if the private power contracts do not materialize and if, after examination, the AEC shows that the contractors do not live up to what we have been told they would do, I would have no objection to TVA proceeding as proposed by the Senator from Tennessee.

Mr. SALTONSTALL. I would say that is a question on which we want to get evidence.

Mr. FULBRIGHT. That is correct.

Mr. SALTONSTALL. Mr. President, I hope the committee will be supported and that the vote will be "no" on the amendments.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing en bloc to the amendments offered by the Senator from Tennessee [Mr. KEFAUVER].

The amendments were rejected.

Mr. COOPER. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The Secretary will state the amendment.

The LEGISLATIVE CLERK. On page 43, line 4, it is proposed to strike out the figure "\$129,582,000" and to insert in lieu thereof the figure "\$141,800,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. COOPER].

Mr. COOPER. Mr. President, the purpose of my amendment is to restore to the bill the full amount which had been recommended by the President and by the Bureau of the Budget for the Tennessee Valley Authority.

I should like to draw to the attention of the Senate some comparative figures on appropriations for the Tennessee Valley Authority during the past 3 years.

For fiscal year 1952 Congress appropriated \$238,389,000 for the Tennessee Valley Authority. For fiscal year 1953, Congress appropriated \$186 million. For fiscal year 1954, Congress appropriated \$188,546,000.

Earlier this year the President and the Bureau of the Budget recommended that the Congress appropriate \$141,800,000 for the Tennessee Valley Authority. The House cut the recommended figure and appropriated the sum of \$103,582,000. The Senate Committee on Appropriations has restored the amount of \$25,270,500, and recommends that the remainder of the amount recommended by the President, \$12,218,000, be used by the Tennessee Valley Authority out of its funds, which may be designated as its corporate or reserve fund.

Mr. KEFAUVER. Mr. President, may the Senate be in order? It is very difficult to hear what the distinguished Senator from Kentucky is saying in his important speech.

The PRESIDING OFFICER. The Senate will be in order.

Mr. COOPER. I am not offering the amendment as a gesture or with the idea that it may be voted on casually or defeated. I am offering the amendment with the hope that the Senate will restore the sum of \$12,218,000 to the Tennessee Valley Authority.

When I have concluded my remarks, I shall ask for a quorum call and for a yeas-and-nays vote on the amendment, because I believe it to be an amendment of great importance.

Both the House committee and the Senate committee appear to want the projects and the programs of the Tennessee Valley Authority, comprehended in the President's message and in the message of the Bureau of the Budget, to be carried out by the Tennessee Valley Authority, because they do not recommend or suggest in their reports that the programs be reduced or eliminated. They request that the cost of these programs be paid out of accumulated funds of the Tennessee Valley Authority or out

of funds which may be received by the Tennessee Valley Authority from its operation in the next budget year, rather than from appropriations by the Congress.

I am not an engineer, and I would not claim to be thoroughly familiar with the fiscal operations of one of the largest corporations of any type in the United States. I have read carefully, however, the testimony of Mr. Clapp, the Chairman of the Tennessee Valley Authority, and of others who testified regarding the requirement that the Tennessee Valley Authority shall pay for its programs out of its corporate funds.

The testimony of Mr. Clapp and those who supported him was to the effect that the corporate fund which would be drawn upon for the financing of programs, if this appropriation cut is maintained, is really not yet in existence, but only anticipated to come into existence during the next fiscal year from the power operations of the TVA, chiefly, and from some other minor sources.

If \$12 million is used from this fund to carry on TVA operations it will reduce even this anticipated reserve of the Tennessee Valley Authority to approximately \$27 million.

Mr. Clapp and other witnesses pointed out in their testimony that this action would reduce reserve funds to the extent of approximately 2 percent of the capital assets of TVA which would compare with an average of 4 percent maintained by private power firms.

It was further pointed out that, unlike a private power company, the Tennessee Valley Authority cannot borrow money, and it cannot issue bonds. It is dependent entirely upon its operation revenues and upon appropriations made by the Congress.

So, Mr. President, I point out, first, that this imposition upon the Tennessee Valley Authority, leaving out of account altogether any emergencies which might arise, and taking no account of the necessity of this large Government corporation having some flexibility in its operations, arbitrarily reduces to a dangerous minimum the reserve and the actual operating funds of the TVA.

The suggestion also marks a new departure by the Congress in its treatment of Tennessee Valley Authority finances.

Reading the report of the Senate committee, which follows the report of the House, it will be noted that of total reduction, \$12 million would have been appropriated for the transmission system facilities.

If Senators will read the budget message sent to the Congress by the Bureau of the Budget they will find on page 199 this statement:

The estimate of \$37 million for transmission system facilities consists of \$12 million to be financed from appropriated funds, and \$25 million from corporate funds.

Thus it appears that with respect to new transmission facilities the Congress has requested that the Tennessee Valley Authority shall use \$25 million from its corporate funds for needed transmission facilities, and now this bill requires that an additional \$12 million must be used from corporate funds for transmission

facilities rather than from appropriations.

I have talked to those on the staff of the Director of the Budget who work on these items with reference to the requirement of the Senate and House committees that the TVA shall use its operating and corporate funds for transmission and other facilities. I was told by one of the staff members that heretofore it has been a rule that extensions to the system would be financed by appropriations, and that enlargements within the system would be financed from corporate funds. But if this new principle is adopted, we shall embark upon a program under which the cost of additional facilities needed for the expansion of Tennessee Valley Authority in its area will be imposed to an increasing degree upon the operating revenues of the Tennessee Valley Authority.

It seems to me, Mr. President, that if this new principle should be followed, that Congress is making up its mind that it will not adequately support by appropriations the Tennessee Valley Authority.

There is another alternative to this requirement that corporate funds must be used. I have said that one alternative is that the TVA will eliminate or reduce the programs which are comprehended in the budget message of the President. Another alternative is that the TVA will use funds appropriated by the Congress in prior years and unspent to carry out the program of the next fiscal year. That alternative is contemplated by this cut, because the statement was made in the hearing that balances are available from prior years. The statement has been made in support of the cut.

When Mr. Clapp was testifying, the question directed by the chairman indicated that the Tennessee Valley Authority does have certain funds held over from prior appropriations and carried the implication that these funds could be used to finance current projects.

I point out, Mr. President, that if that be done it will reduce or eliminate TVA programs which prior Congresses have approved.

The present budget recommendation for the Tennessee Valley Authority and this bill do not contemplate any major additions to its generating or transmission systems. It does call for the continued construction on generating and transmission systems already begun. If the effect of the present cut will demand the use of funds which have been heretofore appropriated for an expansion of power facilities in the Tennessee Valley Authority area, we shall have placed a restriction upon the expansion of the Tennessee Valley Authority by whatever name it is called.

Mr. President, my State, Kentucky, is served by the Tennessee Valley Authority. Kentucky is not affected to the degree which Tennessee and other States are affected. Nevertheless, because my State is interested I have made an effort to understand something about the operations of the Tennessee Valley Authority. I think it is very important that Congress allow the Tennessee Valley Authority to have the funds which President Eisenhower and the Bureau of the Budget

recommended for its operation during the coming fiscal year.

Mr. KEFAUVER. Mr. President, will the Senator from Kentucky yield?

Mr. COOPER. I yield.

Mr. KEFAUVER. I should like to ask the Senator if it is not true that the Bureau of the Budget cut very greatly the amount of money requested by the TVA when they finally came to the figure of \$141,800,000?

Mr. COOPER. There was a cut of some \$47 million from the prior year.

Mr. KEFAUVER. The TVA this year asks for \$225 million, but the Bureau of the Budget cut the amount requested to \$141,800,000, and the amount now provided for in the bill is \$144 million. Is that correct?

Mr. COOPER. It is a very large sum.

Mr. KEFAUVER. Is it not a fact that unless \$12 million is restored, not only will it be impossible to construct certain transmission lines which are necessary, but it will substantially deplete any reserve the TVA might have on hand, and that in the event of a drought it will not have sufficient operating capital on hand for the normal operation of its business?

Mr. COOPER. I think it would limit the power of the Tennessee Valley Authority to operate comparably to the private power company.

Mr. KEFAUVER. Does not the testimony show that the Tennessee Valley Authority could save the Federal Government a large sum of money if it were able to buy what it needed at times when it could get a good price, and thus prepare for emergencies, rather than to have to buy at higher prices and perhaps pay much more for its purchases of coal and other supplies?

Mr. COOPER. I am certain that the Senator's statement is true.

Mr. KEFAUVER. I desire to join with the distinguished Senator from Kentucky in the hope that the Senate will raise the amount up to what the President and the Bureau of the Budget have recommended, because I know, and all who have been interested in the TVA know, that the amount has been reduced to a very low minimum. At the least, it seems to me that the amount requested by the President of the United States should be appropriated.

Mr. COOPER. I thank the Senator from Tennessee.

I urge the Senate, and I especially urge my fellow Republicans, to support the amendment. I do so for other reasons than those which I have stated. I call these facts to the attention of the Senate:

The Tennessee Valley Authority seems to continue to be a controversial issue. It seems to have that quality or character about it; it is not one for me, because I support its purposes. In 1952, when General Eisenhower was campaigning for the Presidency, he stated that it was his intention, if elected, to see to it that the Tennessee Valley Authority was maintained as an efficient instrument.

The present budget is the first one over which the present administration has had full control. After the careful consideration of the Bureau of the Budget, a figure of \$141 million was recom-

mended. That is not the full sum available to the Tennessee Valley Authority. It also has available its operating revenues and other funds, which bring its total funds up to more than \$400 million. But the figure of \$141 million, representing as it does a substantial reduction of some \$47 million from the previous year, certainly should be considered as the rock bottom judgment of the Bureau of the Budget and the administration for funds necessary to the Tennessee Valley Authority.

I desire to point to another factor. Yesterday the term of Mr. Clapp expired. It is now incumbent upon the administration to appoint a new Chairman of the Tennessee Valley Authority. I think it perfectly proper that the President of the United States, who has the power to appoint, should name the person who, in his judgment, will carry out the purposes of the Tennessee Valley Authority efficiently and according to the intent of the statutes. I have confidence that this will be done. But when it is done, and when the new Chairman of the TVA enters upon his duties, and finds, as he begins his new task, a budget greatly reduced by Congress, we will have made his task very difficult.

To my mind, there is an item in the bill which illustrates this point. One of the items which is stricken out, or at least is reduced, is a small item. The item is: "Investigations for future projects, \$125,000."

Some of the controversial questions now raised concerning the TVA are these: First, what is the extent of the jurisdiction and authority of the Tennessee Valley Authority? Second, how much power actually is needed to be generated by the Tennessee Valley Authority for its area? Third, how much expansion should be begun, for future needs?

We have just heard one of these issues discussed on the floor by the distinguished Senator from Tennessee [Mr. KEFAUVER].

Another question which is being considered is: To what extent should power generated by the Tennessee Valley Authority go into large defense plants, such as the Atomic Energy plant, and whether or not some of the power shall be furnished by private companies.

These are questions to be determined by the new Chairman of the Tennessee Valley Authority, and the Board, and by Congress.

The budget and the bill carry an item of \$152,000, which is needed to study the disputed and controversial questions of power need. Yet, the House struck out this item, and the Senate has reduced the amount, thus taking away from the Board of the Tennessee Valley Authority the very tools which it needs to make the important decisions which it is called upon to answer.

I urge the Senate not to eliminate this item. I urge the Senate to restore to the appropriation bill the full amount asked for by the President and by the Bureau of the Budget. This would mean that the appropriation would be increased by something more than \$12 million, as is suggested by the amendment offered by myself and on behalf of the

Senator from Tennessee [Mr. KEFAUVER].

On this amendment I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. SALTONSTALL. Mr. President, I hope the amendment offered by the Senator from Kentucky for himself and on behalf of the Senator from Tennessee will not be agreed to. I say this for the reason that the issue involves \$12 million. The House cut \$38 million from the Tennessee Valley Authority appropriation. The Senate Committee on Appropriations has restored \$26 million of the \$38 million.

The large items are involved. I shall mention only two, because the others are comparatively small.

The first item is \$12 million for projects under construction, including power transmission facilities. The other item is \$25 million, to constitute a reserve for contingencies.

As nearly as I can determine, the net earnings of the TVA next year will be \$101 million. Of that amount, \$55 million will have to be paid to the Federal Government, according to law. That will leave \$46 million. If the entire \$38 million cut by the House is taken out of corporate earnings, there will be a reserve out of anticipated earnings for the TVA in 1955 of only \$8 million.

The Government's investment in TVA is \$2,012,000,000.

What the subcommittee recommended, and what the full committee adopted, was a proposal to restore \$26 million of the \$38 million which had been eliminated by the House. This would give the TVA \$12 million for the transmission lines, a capital asset, and also about half of their estimated reserve for contingencies.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. MAYBANK. I desire to ask the chairman of the subcommittee or one of the members of the subcommittee: Was not the action of the committee unanimous? Was there any objection to what the subcommittee did?

Mr. SALTONSTALL. There was no objection. The action of the full committee was unanimous.

Mr. MAYBANK. And of the subcommittee, also?

Mr. SALTONSTALL. Yes.

Mr. MAYBANK. No question was raised, even between the time of the subcommittee action and the meeting of the full committee?

Mr. SALTONSTALL. The Senator is correct.

Mr. MAYBANK. I thank the Senator from Massachusetts.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. FULBRIGHT. This amount has no bearing whatsoever on the power-plant mentioned a moment ago?

Mr. SALTONSTALL. It has not. That is the answer.

As I was stating, if the \$38 million eliminated by the House is not restored to the extent of \$26 million, as recommended by the Senate committee, only \$8 million will be left as a reserve for

contingencies. If we restore \$26 million, that will provide a \$34 million reserve out of 1955 earnings for various contingencies, based on a plant of \$2 billion. That seems to me to be a proper reserve for contingencies.

If the amount is reduced to \$8 million, it will be playing too close to the line. There will not be sufficient operating latitude with which to carry on a business of this magnitude.

According to the balance sheet, a substantial amount of cash is on hand—about \$180 million. Although it is difficult to ascertain, I presume, that, for the most part, that amount will be spent for capital improvements which already are under contract.

So, figuring on an earnings basis of \$101 million, what we are doing is giving the TVA, on a capital plant investment of \$2 billion \$34 million out of 1955 earnings, as a reserve, as an operating latitude for contingencies. As one member of the committee, that seemed to me to be a fair and proper business arrangement. I do not think it is necessary to restore the difference between the \$38 million eliminated by the House and the \$26 million recommended by the Senate committee, or \$12 million, because on a net earning basis of \$101 million, \$26 million will provide a reserve of approximately 34 percent for contingencies, which is higher than any business ordinarily provides.

For these reasons I hope the amendment offered by the Senator from Kentucky will be rejected.

Mr. COOPER. Mr. President, will the Senator yield for a question?

Mr. SALTONSTALL. I yield.

Mr. COOPER. I know that the attitude of the Senator from Massachusetts is, that it is possible to set up a certain sum, whether the amount in question is used as an operating reserve or otherwise. However, if it is required that improvements, which heretofore have been paid for by appropriations shall now be paid for by operating capital, 1 of 2 things will result: Either it will be made impossible for the improvements to be made within the system, or the operating capital must be increased. If the operating capital, or reserve, is to be kept intact it will mean that the possibility of making improvements from TVA's own reserves will be limited, will it not?

Mr. SALTONSTALL. No, I do not agree, to this extent, that to the best of my knowledge there is a fund of \$200 million, of which \$180 million is in cash and \$20 million in receivables, less current liabilities of \$60 million, or a total liquid amount of \$140 million, before TVA's earnings or reserves this year are at all considered. I cannot say it is a fact, but I assume that is money which is reserved for capital improvements already under contract.

Mr. CASE. Mr. President, will the Senator from Massachusetts yield?

Mr. SALTONSTALL. I yield to the Senator from South Dakota.

Mr. CASE. In looking at the committee report, on page 12, I note a little table which gives the items which were supposedly deleted by the action of the House of Representatives. The Senator

has been using the figure \$38 million. I assume the exact figure is \$37,488,500, is it not?

Mr. SALTONSTALL. Thirty-seven million dollars, plus the restorations from the \$38 million.

Mr. CASE. I note that of that amount only about \$12½ million is actually for construction, which amount includes \$12 million for transmission-system facilities, and the other half million dollars is for 3 or 4 other items, and \$25 million of the \$38 million is the balance for contingencies. Is that correct?

Mr. SALTONSTALL. That is correct. Let me put it this way: The earnings of the Tennessee Valley Authority will be \$101 million. Under the law, \$55 million of that amount has to be paid back to the Government. That leaves \$46 million. If one takes the whole \$38 million which was cut by the House from the \$46 million, that leaves the Tennessee Valley Authority \$8 million for contingencies. The Senate committee increased that by \$26 million, making \$34 for contingencies.

Mr. CASE. The point I was seeking to bring out was that actually the action proposed by the committee does not interfere with the construction program whatsoever; does it?

Mr. SALTONSTALL. Not a bit.

Mr. CASE. The committee would restore as much as \$12½ million, would it not?

Mr. SALTONSTALL. That is correct.

Mr. CASE. Actually there is a reduction only in the amount of the reserve, is there not?

Mr. SALTONSTALL. That is correct.

Mr. CASE. The \$34 million cash, or reserves, or operating fund, as against \$101 million earnings, seems to me to be a good ratio.

Mr. SALTONSTALL. I am glad the Senator from South Dakota agrees with me.

Mr. COOPER. Mr. President, I should like to suggest that I anticipated the argument which has been made, that is that improvements intended by the Tennessee Valley Authority are not affected by the cut. It ought to be clearly understood that there are two alternatives involved in this cut. One alternative is that a reduction in the reserve fund of the Tennessee Valley Authority, and the evidence of those who testified is that the reserve fund of the Tennessee Valley Authority is not now commensurate with the reserve funds of private companies, the Tennessee Valley Authority does not have the power of private companies; the Authority cannot borrow, issue notes, revenue bonds, or other bonds; its action is limited.

A second alternative is that the Authority can refuse to use funds that would be available with which it could make improvements in its own system. I point out that the Senator from Massachusetts [Mr. SALTONSTALL] asked Mr. Clapp what the Tennessee Valley Authority intended to do with the money. I now read from the discussion appearing at page 356 of the hearings:

Senator SALTONSTALL. They would say use the money partly with respect to \$12 million of it for building these transmission facilities

and the balance outside of \$600,000 for resource development for these various projections that you have just mentioned?

Mr. CLAPP. That is right, sir.

Senator SALTONSTALL. These projections that you just mentioned would be termed capital improvements, would they not?

Mr. CLAPP. Capital improvements, or acquisition of minor equipment.

When the money in question is spent from corporate funds there is taken away from the Tennessee Valley Authority to that extent the possibility of making capital improvements, or acquiring needed equipment to operate its system. The Senate ought not to fool itself about taking money away from the Tennessee Valley Authority which the TVA needs, and which the Bureau of the Budget has stated it needs. If this is now done, and repeated year after year, the charges that are being made will be sustained, Congress will have begun to whittle away the funds needed by the Tennessee Valley Authority to operate.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. COOPER] on behalf of himself and the Senator from Tennessee [Mr. KEFAUVER].

Mr. COOPER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	George	McCarthy
Barrett	Gillette	McClellan
Beall	Gore	Millikin
Bennett	Hayden	Morse
Bowring	Hendrickson	Mundt
Bridges	Hennings	Murray
Burke	Hickenlooper	Neely
Butler, Md.	Hill	Pastore
Byrd	Holland	Payne
Capehart	Hunt	Potter
Carlson	Ives	Purtell
Case	Jackson	Russell
Chavez	Jenner	Saltonstall
Clements	Johnson, Colo.	Schoeppel
Cooper	Johnson, Tex.	Smathers
Cordon	Johnston, S. C.	Smith, Maine
Daniel	Kefauver	Smith, N. J.
Dirksen	Kennedy	Sparkman
Douglas	Knowland	Stennis
Duff	Langer	Thye
Dworshak	Lehman	Upton
Eastland	Long	Watkins
Ellender	Magnuson	Wiley
Ferguson	Malone	Williams
Flanders	Mansfield	Young
Frear	Martin	
Fulbright	Maybank	

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendment submitted by the Senator from Kentucky [Mr. COOPER] for himself and the Senator from Tennessee [Mr. KEFAUVER]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from Arizona [Mr. GOLDWATER], the Senator from Ohio [Mr. BRICKER], and the Senator from Idaho [Mr. WELKER] are absent on official business.

The Senator from Connecticut [Mr. BUSH], the Senator from Nebraska [Mr. BUTLER], and the Senator from California [Mr. KUCHEL] are necessarily absent.

Mr. CLEMENTS. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Rhode Island [Mr. GREEN], the Senator from Minnesota [Mr. HUMPHREY], the Senators from Oklahoma [Mr. KERR and Mr. MONRONEY], the Senator from West Virginia [Mr. KILGORE], the Senator from North Carolina [Mr. LENNON], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Missouri [Mr. SYMINGTON] are absent on official business.

The Senator from Nevada [Mr. McCARRAN] is absent by leave of the Senate.

The result was announced—yeas 23, nays, 56, as follows:

YEAS—23

Aiken	Johnston, S. C.	Morse
Bowring	Kefauver	Murray
Clements	Langer	Neely
Cooper	Lehman	Sparkman
Eastland	Magnuson	Stennis
Gore	Malone	Watkins
Hill	Mansfield	Wiley
Jackson	McCarthy	

NAYS—56

Barrett	Flanders	Maybank
Beall	Frear	McClellan
Bennett	Fulbright	Millikin
Bridges	George	Mundt
Burke	Gillette	Pastore
Butler, Md.	Hayden	Payne
Byrd	Hendrickson	Potter
Capehart	Hennings	Purtell
Carlson	Hickenlooper	Russell
Case	Holland	Saltonstall
Chavez	Hunt	Schoeppel
Cordon	Ives	Smathers
Daniel	Jenner	Smith, Maine
Dirksen	Johnson, Colo.	Smith, N. J.
Douglas	Johnson, Tex.	Thye
Duff	Kennedy	Upton
Dworshak	Knowland	Williams
Ellender	Long	Young
Ferguson	Martin	

NOT VOTING—16

Anderson	Humphrey	Monroney
Bricker	Kerr	Robertson
Bush	Kilgore	Symington
Butler, Nebr.	Kuchel	Welker
Goldwater	Lennon	
Green	McCarran	

So the amendment offered by Mr. COOPER for himself and Mr. KEFAUVER was rejected.

The PRESIDING OFFICER. The question now is on agreeing to the committee amendment on page 43, line 4.

The amendment was agreed to.

Mr. MCCARTHY obtained the floor.

VETERANS' HOSPITALS

Mr. MALONE. Mr. President, will the Senator from Wisconsin yield in order that I may ask the Senator from Massachusetts [Mr. SALTONSTALL] a question?

Mr. MCCARTHY. I am glad to yield, with the understanding that I shall not lose the floor by so doing.

Mr. MALONE. Mr. President, there is no time to determine the effect on the State of Nevada and in other areas of the reduction in the appropriation for the Veterans' Administration. I should like to ask the distinguished Senator from Massachusetts a question.

There is only one veterans' hospital in the State of Nevada. It has a theoretical capacity of 166 beds, but because of the limited staff and equipment the actual capacity of the veterans' hospital in Reno, the only one in Nevada, is only 120.

Thirty-three veterans are on the waiting list. Because of the reduction in appropriations, 29 employees are listed

for dismissal. There are at present 9 doctors and 33 nurses.

I ask the distinguished Senator from Massachusetts, chairman of the Armed Services Committee, what the committee's intention was in making the reduction. Was it intended to reduce the number of employees of the Veterans' Administration throughout the Nation?

Mr. SALTONSTALL. I will answer my friend from Nevada in this way: Neither the House nor the Senate reduced the appropriation for operating expenses in the hospitals. In the opinion of the Administrator, according to his testimony, there is money enough to operate 127,000 beds throughout the country. I cannot answer specifically as to any one hospital, but I can say that it is my understanding that there are sufficient funds to take care of all veterans' hospitals on an operating basis.

If the funds are not sufficient, certainly the Veterans' Administration will come forward at a later time with a supplemental request for more funds. It is my understanding that there was no reduction from the Budget Director's recommendation on that point.

Mr. MALONE. Mr. President, if the Senator from Wisconsin will further yield, I should like to ask the distinguished chairman of the Armed Services Committee a further question.

The PRESIDING OFFICER (Mr. PURTELL in the chair). Does the Senator from Wisconsin yield further?

Mr. McCARTHY. I yield, with the same understanding.

Mr. MALONE. The veterans' hospital in Reno, Nev., serves 15 of Nevada's 17 counties. An average Nevada county is about the size of the State of Massachusetts. The hospital also serves 8 counties in California, Reno being within about 20 miles of the Nevada-California boundary. Is it understood that even though there is a deficiency in actual capacity, the hospital being limited, with the present personnel, to 120 beds, there will be sufficient money to increase the actual capacity of the veterans' hospital to 166 beds, or the full capacity, if necessary?

Mr. SALTONSTALL. I believe so. The figures given to us were based upon the expected operating capacity of the hospitals for this year. However, I assure my friend from Nevada that the Appropriations Committee has never been "tight" in considering the operation of veterans' hospitals.

Mr. MALONE. I should like to ask the distinguished chairman of the Armed Services Committee a further question. Did the current head of the veterans' hospital service say to the committee that he would take care of the situation?

Mr. SALTONSTALL. As I say, I cannot answer with respect to any one specific hospital.

Mr. MALONE. I am talking about the overall picture.

Mr. SALTONSTALL. He was satisfied.

Mr. MALONE. He was satisfied, but did he say that he would take care of the disabled veterans who are now on the waiting list? There is in contemplation a reduction in the personnel at certain hospitals. What would he do about that?

Mr. SALTONSTALL. He expected to take care of all veterans with service-connected disabilities, and, to the extent beds were available, he expected to take care of veterans with non-service-connected disabilities.

Mr. MALONE. Was it the intention to continue to operate the hospitals at reduced capacity, and then claim that additional capacity was not available for disabled veterans?

Mr. SALTONSTALL. That is not my understanding.

Mr. MALONE. I thank the Senator.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries.

THE WAR ON COMMUNISM

Mr. McCARTHY. Mr. President, first, I wish to express my very deep appreciation to the ranking Democratic member on the Permanent Investigations Subcommittee [Mr. McCLELLAN] for consenting to lend me, for the day, the very able minority counsel, Mr. Kennedy, who has been working on some aspects of the problem which I intend to discuss today. I deeply appreciate the courtesy of the Senator from Arkansas in consenting to have Mr. Kennedy present this afternoon so that he can furnish me facts and figures which I may require.

This afternoon I shall take a brief amount of the Senate's time to discuss a developing situation which disturbs me very deeply. The outcome of this situation may well decree the death or insure the life of our free civilization.

Mr. MAYBANK. Mr. President, may we have order, so that we can hear?

The PRESIDING OFFICER. The Senate will be in order.

Mr. McCARTHY. I thank the Senator very much.

First, however, I should like briefly to review the history of the war in which we are engaged today—a war which was publicly declared 106 years ago in the year 1848 by Karl Marx. As I have so often said before, it is a war which we did not start, and which we cannot stop except by victory or death for this Nation.

Mr. MAYBANK. Mr. President, again I ask that the Senate be in order so that all of us can hear the Senator from Wisconsin.

The PRESIDING OFFICER. The Senator from Wisconsin will suspend.

Mr. McCARTHY. Gladly.

The PRESIDING OFFICER. The Senate will be in order. The Chair advises the occupants of the galleries that no demonstrations will be permitted. They are requested to remain as quiet as possible. The Senator from Wisconsin may proceed.

Mr. McCARTHY. I thank the Chair and I thank the Senator from South Carolina.

There has been only one change in that declaration of war over the past 106 years. As Senators know, when Karl Marx issued his declaration of war

against the world in 1848, he declared that while the creation of a Communist world could be accomplished in most nations only by bloody revolutions, there were two nations which were exceptions; namely, the United States and England, and that in those two nations communism could be imposed upon the people by infiltration and treason from within the country. That declaration of war against free civilization was modified by Lenin in 1914, at which time he brought up to date the official Communist line, namely, that while Marx was right as of 1848, 66 years later, in 1914, the declaration of war had to be changed to the extent that the policy of the Communist Party from that time forward was the destruction of non-Communist governments by force and violence, and that from that time onward the United States and Great Britain would not be exceptions to the rule, as Marx had originally suggested, and that while much could be done by boring from within, nevertheless the Communist creed was that violence and bloodshed were necessary in the end to destroy all non-Communist governments.

Senators know that the new line is known as the Marx-Lenin line.

During the first 69 years after Karl Marx declared war on civilization, not 1 acre of the world's area was under Communist domination, nor were any of the peoples of the world unwillingly in Communist chains. During that time, however, the Communists did make progress in setting the stage for future Communist victories by creating well disciplined treasonable cells in various areas of the earth. Thus for 69 years after the Communist declaration of war they did not control a single foot of ground on the face of the globe. Thirty-seven years ago, however, in 1917 the Kaiser's government secretly financed the return to Russia of seven Communist exiles led by Nicolai Lenin—exiles who had been forced to flee Russia.

Once in Russia they undermined the army, they undermined the navy, and the civilian heads of the government by the same methods which the Communists are employing in the United States today, and in 100 days those 7 Communists were literally the masters of Russia. Now, with all the wealth of the nation at their command they, of course, proceeded to finance Communist parties in every country in the world. They sent to those countries trained propagandists and spies. Their purpose, obviously, was to infiltrate the governments, and once Communists were in government they in turn brought others in.

As I refer to this history—and I believe it to be necessary to do so as a background for what I intend to discuss—and as I realize that only 7 traitors had made themselves the masters of 180 million people in 100 days, I cannot help thinking of the testimony taken by our committee a few days ago when an apparently very honest and very sincere witness was testifying about Communist infiltration, and he said, "Oh, but there aren't very many. Don't worry about them."

From 1917 to 1945 very little progress was made by the Communist conspira-

the basis of volunteering information, making it perfectly clear that if the information is presented, it will be on a voluntary basis, there is some obligation resting upon the executive branch of the Government to make available to the Senate, through its investigating committee, all information which will bear on the charges and the countercharges which have been raised and are in issue before the committee?

Mr. LEHMAN. First, I may say to the distinguished Senator from Oregon that, within my recollection, no one has been more concerned than he with the question of encroachment on the powers and responsibilities of one branch of the Government by one or more of the other branches of the Government.

In this case I think the President has very belatedly given expression to his point of view that the responsibilities, powers, and the authority of one branch of the Government, the legislative branch—as a matter of fact, it is a committee rather than the Senate itself—should not be permitted to affect the operations of the executive branch. I regret that the President of the United States did not take that position months ago, not with regard to the particular situation under discussion, but with reference to a great many others, in which congressional committees have impinged on the responsibilities of the Army, the Defense Department, the State Department, and other departments of the executive branch of the Government. I regret that the President did not do so then, and I criticize him for it. However, he has now done it, and I wish to give him credit for what I think is a sound policy. I do not think there is anything in the order—unfortunately, I do not have the order in detail before me—which would in the slightest degree prevent the committee from continuing, uninterruptedly and without any delay whatsoever, the investigation on which it has embarked.

Mr. MORSE. If the Senator from New York will consider a hypothetical situation with me, since I do not know what the facts are, and we shall have to speak about them hypothetically, let us assume that we agree that the President is on sound constitutional ground in his order when he takes his position on the rights of the executive branch. Let us suppose the following hypothetically: The Senator from Wisconsin alleges that the Army has been seeking to prevent the investigation of subversive and Communist activities within the Army. That is one of the allegations of the Senator from Wisconsin. The Army counters with the claim that the Senator from Wisconsin and his committee staff are seeking to place undue pressure upon the Army. Let us suppose the Senator from Wisconsin has reason to believe, or thinks he has, that at a conference of Army officials, plans and designs were made in an effort to place barriers in the way of the Senate committee in conducting the investigation. Does the Senator from New York believe that under those circumstances the Chief Executive might very well volunteer the testimony of the Army officials

and the administrative officials regarding the truth concerning the allegations made by the Senator from Wisconsin?

Mr. LEHMAN. Let me say to my distinguished colleague, the Senator from Oregon, that certainly there is nothing in the President's order that would in the slightest degree handicap or prevent the subcommittee from interrogating the Secretary of the Army, a principal, or the counsel to the Department of the Army, a principal. There is nothing in the President's order to prevent the interrogation of those persons, under oath, with regard to anything that happened in connection with their relationship with the Defense Establishment or other branches of the Government of the United States. The President has very clearly stated that his order does not foreclose testimony on matters where the communication was directly between any of the principals in the controversy within the executive branch, on the one hand, and a member of the subcommittee and its staff, on the other.

Let me say that I do not see any reason why the President's order should impede in any way the progress of the investigation or further interrupt the course of the hearings.

The President went on to say that the principals are under no compulsion to refuse to answer, under oath, any questions which may be addressed to them.

What I am contending—and I believe it is generally in line with the thinking of the distinguished Senator from Oregon [Mr. MORSE]—is that the President should not be compelled to disclose conversations between members of the executive branch as part of a consultative process among his aides who later report or may report to the President of the United States.

Mr. MORSE. I am glad the Senator from New York has brought out that point, because I think it needs clarifying in connection with the public thinking today. As the hearing proceeds, under the President's order any administration witness is free to decline to answer any specific question which, in the opinion of the administration, would, if answered, involve a violation of Executive confidence—leaving it, of course, for the public generally and the Members of the committee generally to draw whatever inference they care to draw from a refusal to give the requested information.

Certainly the President's order is in line with the historic precedent, and, where an examination infringes upon rights of the Executive, under the doctrine of the separation of powers as provided by the Constitution, the President certainly is within his rights in taking the position he has taken, and his officials, loyal to him, are bound to proceed on the basis of that principle.

But it seems to me that in this particular instance we find ourselves in the following situation: The matter has gone along so far, with the Secretary of the Army having testified on a great many points, and with counsel for the Department of the Army, Mr. Adams, having testified on a great many points, that some misunderstanding will be created in the minds of many persons if there

is not now a full disclosure, on a voluntary basis, of what may have transpired within the Military Establishment with respect to any allegation that that establishment has sought to quash the McCarthy investigation. I think the matter would be handled properly in further hearings. Certainly further hearings should be held, and I believe the administration witnesses should certainly protect this constitutional principle.

But since this point was not raised long before now, in the course of the hearing, some persons are likely to take the view that perhaps the belated raising of the point has occurred because the Senator from Wisconsin may have been getting very close to some information and evidence that might not support some of the testimony previously given by the Secretary of the Army.

Mr. LEHMAN. Let me say to the Senator from Oregon that I do not think there is any connection between the charges by one side and the charges by the other side, which are now before the investigating committee, and the meeting held on or about January 21, as I recall, between Mr. Adams, the counsel for the Department of the Army, and Sherman Adams, one of the President's advisers, and a number of other persons; and I do not believe that testimony regarding the meeting could properly be elicited through a cross-examination under oath, of the Secretary of the Army and his counsel and other persons connected with the Defense Establishment. It seems to me there is simply no connection between that meeting and the allegations; and thus I believe that testimony regarding the meeting cannot properly be, and should not be, elicited through cross-examination, under oath, of these officials.

I need not remind my colleague, the distinguished Senator from Oregon, that the Secretary of the Army has been interrogated under oath for a period of 14 days, as I recall. I shall ask the Senator from Illinois how many days the interrogation lasted.

Mr. DIRKSEN. A little more than 13 days.

Mr. LEHMAN. So it seems to me that whatever needs to be established in this situation can be established through cross-examination.

What I am trying to emphasize is that to discontinue or even to threaten to further suspend the hearings—whatever the outcome may be; and I am not trying to prejudge the hearings—would greatly impair the confidence the people of the United States have in Congress and the President and the executive branch of the Government.

Mr. MORSE. Mr. President, will the Senator from New York yield again to me?

The PRESIDING OFFICER (Mr. PAYNE in the chair). Does the Senator from New York yield to the Senator from Oregon?

Mr. LEHMAN. Of course, Mr. President; I am glad to yield.

Mr. MORSE. I wish to make very clear that I share the point of view of the Senator from New York that, in view

of the developments in recent days, the hearings should go on.

I simply seek to point out that I believe the greatest care must be exercised by the administration in order to make available, within the prerogatives of the executive branch, any information bearing on the issues that really have to be decided by the committee.

In view of the late hour at which the administration raised the point of the separation of powers under the Constitution, I believe the administration should make very clear to the American people that it is not trying to conceal any evidence which might be helpful to the Senate committee in determining who is correct in connection with the charges that have been made.

Mr. LEHMAN. Let me say in reply to the Senator from Oregon that I agree with him that it is highly important that there be neither misunderstanding nor mistrust on the part of the American people with regard to the methods pursued in the conduct of this investigation. I should be glad, of course, to have the Executive voluntarily make it possible for any evidence to be presented which would not constitute a surrender on his part of the very clear responsibilities, duties, and prerogatives placed in the executive department under our constitutional form of government.

As the Senator knows, I have been critical, and am today, of the President of the United States because of the delay which has occurred in the assertion by him of the authority and responsibilities of his department, and the separation of those authorities and responsibilities from those of other branches of our Government. But I am glad he has at long last taken this position. I congratulate him at least to that extent. I am not telling him what he should do from now on, or what he should not do. I am not attempting or presuming to prejudge this case.

I am glad that I can make this statement in the presence of one member of the committee. I hope and pray that nothing will be allowed to interfere with the prompt, orderly, and uninterrupted conduct of this investigation.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXPIRATION OF TERM OF GORDON CLAPP AS CHAIRMAN OF THE BOARD, TENNESSEE VALLEY AUTHORITY

Mr. KEFAUVER. Mr. President, I think that it is important today to call attention here on the floor of the United States Senate, to a situation which all of us in the Tennessee Valley region regret exceedingly. It is that at midnight last night the term of Gordon Clapp, Chairman of the Board, expired, and the

President made no move toward his reappointment.

For 9 years he served as Chairman of the Tennessee Valley Authority and has won the respect and affection of the men and women of that great instrument of Government along with that of the millions of people in the Tennessee Valley.

Throughout his career of service to the people of the Tennessee Valley Authority he kept the faith. He held steadfastly to the principles on which the Tennessee Valley Authority was founded.

Today—for the first time in its 22-year history—the Tennessee Valley Authority is without a chairman. There is no provision in the TVA Act by which Mr. Clapp could remain in office pending the appointment of another chairman. The great agency, which has won worldwide fame as an outstanding example of democracy in action, today became simply an agency without a head.

It is noteworthy, Mr. President, that Mr. Clapp was the choice of the people in the valley to remain as Chairman of TVA. A delegation of citizens visited President Eisenhower, presenting him with petitions signed by over 60,000 citizens in 432 cities, towns and communities throughout the valley, urging that he reappoint Mr. Clapp. However, the President not only failed to show the slightest regard for the desires of these citizens—he did not even discuss reappointment with Mr. Clapp, so far as I know.

Mr. President, I think that the best thing I could say about Mr. Clapp today—at this dark hour in his long and magnificent service to the Government—would be to read from a letter, dated February 6, 1954, which I wrote President Eisenhower concerning him.

In my letter, I stated:

I sincerely believe and certainly hope, Mr. President, that in considering the vacancy which will occur upon the expiration of Mr. Clapp's term, you will be persuaded by the language and practice under the TVA Act. This is that no political test or qualification shall be permitted or given consideration, but that all appointments and promotions shall be given and made on the basis of merit and efficiency. I, for one, feel that it would be tragic if this policy were ever abandoned and the board positions or any other were filled on the basis of political recommendations.

Although the major operations of TVA are in the State which I have the honor to represent in the Senate, we have never considered any of the TVA positions to be a matter of patronage. I hope that you share our views that TVA is a national institution, and must be kept on its nonpolitical merit basis.

Under any such consideration, it is axiomatic, of course, that Mr. Clapp, who has risen through the ranks, and has done a magnificent job with TVA, should logically be offered reappointment. I say this, Mr. President, without knowing what Mr. Clapp's political affiliations, if any, might be. He has been with TVA since the beginning—and has adhered strictly to the "no politics" role of the agency. Therefore, like you men of the Armed Forces, he has never engaged in politics and thus does not seek reappointment on any political basis.

With kindest regards.

Respectfully,

ESTES KEFAUVER,
United States Senator.

Mr. President, what has happened in the case of Gordon Clapp is another clear blow at career Government service. The President has brought no other nomination here before the Senate.

It is still not too late for him to do the right thing—and renominate Gordon Clapp.

INDEPENDENT OFFICES APPROPRIATIONS, 1955

The Senate resumed the consideration of the bills (H. R. 8583) making appropriations for the executive office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1955, and for other purposes.

Mr. DOUGLAS. Mr. President, on page 21, line 2 of the bill, I move to strike out "\$96,460,000" and to insert in lieu thereof "\$94,460,000," which is the House figure. This would be a saving of \$2 million. I send the amendment to the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 21, line 2, it is proposed to strike out the figure "\$96,460,000" and to insert in lieu thereof the figure "\$94,460,000."

The PRESIDING OFFICER. As the amendment of the Senator from Illinois merely proposes to restore the appropriation adopted by the House, instead of that recommended by the Senate committee, his objective can be attained by rejecting the committee amendment. Therefore the question will be put on agreeing to the committee amendment.

Mr. DOUGLAS. Mr. President, I should like to explain my proposal, if I may.

When the Bureau of the Budget submitted its figures for the operating expenses of the General Services Administration, Public Buildings Service, it presented an estimate of \$98,060,000. The House cut the item apparently by \$3,600,000, to \$94,460,000. Actually, however, the House cut only \$2 million from the amount, because the House Appropriations Committee states in its report at page 13:

During the hearings the General Services Administration stated that its budget could be reduced by \$1,600,000 because 13 National Industrial Reserve installations now in the custody of the General Services Administration would be transferred to the custody of the Department of Defense prior to June 30, and the Department of Defense has stated that most of this maintenance cost will be absorbed in its overall budget.

Actually, therefore, the House made a cut of only \$2 million, from \$98,460,000 to \$96,460,000. The Senate committee claims a reduction of \$1.6 million below the budget estimate. However, the reduction of \$1.6 million which it claims is not a reduction at all, because the items are being transferred to the Department of Defense. Therefore the Senate committee's figure, although it seems to be a cut of \$1,600,000, is actually the same as the budget figure, and it is \$2 million above the House figure. Therefore the Senate committee has not

reduced this overhead item by a single penny.

The administration has been claiming that its General Services Administration is conducted with high business efficiency. If that is so, it would certainly seem possible for it to absorb a reduction of approximately 2 percent in operating costs. This is a chance for the administration to demonstrate its much vaunted efficiency and its much vaunted business methods in operating the public buildings.

Therefore I hope, if the administration is to develop economy now, as the Republicans said they would when they were in opposition, the chairman will agree to the saving of \$2 million for the taxpayers of the country.

I look expectantly at the chairman of the Committee on Appropriations, in the hope that he will rise and accept the amendment. I beg of him not to disappoint me at the end of a long and arduous day.

Mr. BRIDGES. Mr. President, on this proposal and on subsequent proposals which I understand the Senator from Illinois is to offer with respect to the General Services Administration, generally speaking, the pertinent question is what our policy is to be on public buildings.

Over a period of years our public buildings have been allowed to deteriorate. The Senator from New Hampshire has visited some Federal buildings and post office buildings the roofs of which are leaking and in other very bad conditions exist. These conditions will become worse unless repairs are made.

The Senator from New Hampshire as the Senator from Illinois knows, believes in economy. However, he does not believe that economy can best be accomplished by neglecting to take care of emergencies as they occur.

That is the main objective we have.

In the 1952 bill the amount reported by the Committee on Appropriations was \$107,757,800. An amendment offered by the Senator from Illinois [Mr. DOUGLAS] reduced the amount by \$7,757,800. The amount agreed to in conference was \$104,500,000, or \$3,257,800 below the amount recommended by the committee.

That amount failed to meet the situation. Later a request was made for \$2,850,000 of additional funds, and the request was justified and approved in a supplemental bill. Therefore, instead of a net reduction of \$7,757,800, the net reduction was \$407,800. Of course, that is not anything to be looked down upon, and I am glad that we finally accomplished that saving.

However, it shows that after a committee has made a careful study of a situation and has taken a position, amendments offered on the floor, however well-intentioned they may be, may not actually reflect an informed opinion of the necessity for a given amount. I grant sincerity to the Senator from Illinois, and I share with him the objective of conducting the Government as economically as possible.

Mr. DOUGLAS. Does not the request of the administration for huge additional

supplemental appropriations demonstrate the fact that it is very difficult to get governmental bureaucrats to accept a cut, and if we reduce the amounts provided in general appropriation bills they always come back with a request for a supplemental bill? Is not that the moral to be drawn, rather than the consideration of heroic efforts of Congress to effect economy?

Mr. BRIDGES. I think that is probably correct. This occurred, as the Senator from Illinois well knows, in the last year of the Truman administration. I think the Senator is correct when he says there is a reluctance on the part of a Government department to accept a cut in its appropriations.

Mr. DOUGLAS. That seems to be true of items at this time as well as prior to January 1953.

Mr. BRIDGES. It is probably a lifelong matter. It probably will not change in the ages to come. Each department feels that its appropriation should be not cut. The more we attempt to cut down the expense of Government, the greater the pressure is on the Appropriations Committee and particularly on the chairman of that committee not to cut.

Mr. DOUGLAS. I heard the Senator from New Hampshire say he was in favor of economy, but he did not want to save money in this particular instance. It carried my mind back some years ago when I was trying to effect reductions in appropriations when the Democrats were in power, and the Senator from Tennessee, former Senator McKellar, was chairman of the Appropriations Committee. He always said, "I am for economy, but—"

There is a French phrase, I believe, which applies to the situation:

Plus ça change, plus c'est la même chose.

The more it changes, the more it remains the same.

Bureaucrats and chairmen of appropriations committees seem to be the same in 1954 as they were in 1949. The words may change, but the melody remains the same.

Mr. MAYBANK. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. MAYBANK. I have had the privilege and honor of serving under former Senator McKellar, the late Senator Glass, and the Senator from New Hampshire [Mr. BRIDGES] as chairmen of the Committee on Appropriations. I have been happy to serve with them, because they were believers in the fundamental institutions of America.

Mr. DOUGLAS. I may say that I know the members of the Appropriations Committee are a happy family who, without regard to party lines, rise in defense of each other when any proposal is made to reduce appropriations, so that the helpless Senator who is for economy finds himself in a "Tinker-to-Evers-to-Chance" combination.

Mr. THYE. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. THYE. As a member of the Appropriations Committee, I can only say

to my good friend from Illinois that after we have sat through several weeks of constant daily hearings, listening to testimony and getting information relative to what is needed, the repairs which must be made, and to the bad condition of some of our public buildings, we endeavor to compile a final figure and report the bill from the subcommittee to the full committee, and then the full committee makes a complete study of all the facts and tries to arrive at a proper figure. That is the way in which this particular item was arrived at.

I fully realize that anyone can attack such an item and say that the members of the committee are a sort of social group and defend each other, not only now, but that it was the case in former years. But that is not true. We have developed these figures from facts presented to us. Anyone can ridicule them and make fun of them, but when we get down to the bare facts, the appropriations recommended by the committee are based on what the committee has learned from all the available sources of information as to what is necessary to maintain public buildings in proper condition.

If we walk into a Federal courthouse and find it in poor repair, or filthy because of lack of janitorial service, and we see in the upper stories of the building that there are leaks in the roof, we are not good, responsible representatives of the people if we do not recognize the facts and take steps to make the necessary repairs. If I walk into a Federal courthouse and see that it is not in good repair, and I make inquiry of the custodial staff or the manager of the building as to why it is in such condition, and find that it is because of lack of funds, I must recognize the fact and must do something about it.

That is the way we arrived at this figure. We all commend the Senator from Illinois for wishing to bring about economy. There is only one suggestion I have to make, and that is that I should like to see the Senator from Illinois made a member of the Appropriations Committee and have him go through weeks and weeks of grind with reference to these items. In that event I think he would possibly look at the matter a little bit differently.

Mr. DOUGLAS. Will the Senator from Minnesota propose that to the leaders of the Democratic Party?

Mr. THYE. That is the reason I make mention of it on the floor of the Senate, because I would rather see the Senator working with the committee than working on the committee.

Mr. DOUGLAS. I hope the Senator from Texas [Mr. JOHNSON] will take due cognizance of the Senator's suggestion.

I should like to add that I realize members of the Appropriations Committee are diligent and hardworking. But I should like to remind the Senator from Minnesota that other Senators, meanwhile are not twiddling their thumbs or playing ticktack-toe. We have heavy and pressing duties in the other legislative committees.

I am not criticizing the Appropriations Committee. I rely on it heavily, and the only amendments I offer are those where I disagree with the recommendations.

I have hastily thumbed through the hearings on appropriation bills from year to year, and have been struck with the fact that almost without exception the only witnesses who appear are representatives of Government departments who are naturally anxious to defend the appropriations which they request or to increase appropriations made by the Congress.

Our good friends on the committee take a terrific beating and get their resistance warmed up. If they thought they were going to encounter some opposition on the floor, their yielding point would be much lower than it is. Running into storms on the floor may serve to stiffen the backbone of the members of the Appropriations Committee and make them believe that what seems to be a curse may be a concealed blessing. So I think I can do more effective work in the course I am pursuing than I could if I were a member of the Appropriations Committee.

Mr. MAYBANK. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. MAYBANK. Is it not a fact that there are more amendments offered on the floor to increase appropriations than to decrease them? What the Appropriations Committee is up against is amendments to increase appropriations.

Mr. DOUGLAS. That is true, in general.

Mr. MAYBANK. Of course, I am not referring to the Senator from Illinois.

Mr. THYE. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. THYE. Mr. President, this morning from 10 o'clock until after 12 o'clock the subcommittee of the Appropriations Committee known as the Education and Welfare Subcommittee, heard outside witnesses. We had before us witnesses from many different States of the Union testifying with reference to vocational education.

Mr. DOUGLAS. Were they asking for increases in appropriations?

Mr. THYE. Yes. The subcommittee will hear further testimony from outside witnesses.

Mr. DOUGLAS. And they will be asking for increases in appropriations?

Mr. THYE. They will, most certainly. They are not departmental witnesses. They are not persons who comprise the so-called bureaucratic staff of employees. They are outside witnesses giving testimony on nearly all the appropriation items.

For that reason, I must defend not only the action of my colleagues, but my own action on this committee. It represents the best judgment we have been able to exercise. We have the same inner feeling which the Senator from Illinois has. We are sensitive to public criticism about excessive taxation and excessive Federal spending. Therefore, when the public criticizes us, we are just as sensitive to it as is the Senator from Illinois.

But we must take into consideration that a building in which a Federal court sits, or in which other Federal business is transacted, should not look like anything but a respectable sort of building. Otherwise it reflects upon the Government.

When I went into the Federal courthouse in St. Paul, Minn., I was not satisfied with its appearance. I expressed my disappointment to the General Services Administration. I said that because it was a Federal building, it should never be allowed to be in such poor condition. Plaster should not be allowed to fall from the walls or from the ceiling of the building. I said the building should look like a Federal Government institution is expected to look.

It is not possible to make repairs and to put Government buildings in proper condition unless money is made available with which to do the job.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. THYE. I yield.

Mr. MAYBANK. Who passed the law to turn the money over to the General Services Administration with which to do the work, except the Congress of the United States.

Mr. THYE. The Senator from South Carolina is absolutely correct.

Mr. MAYBANK. Laws can be passed, and the money then not be appropriated. But Congress then gets the blame because the job is not properly done.

Mr. THYE. That is correct. I wish I had the ability of my good friend, the Senator from Illinois. I wish I had the political, scientific, and economic mind that he has. I say this in all sincerity, because I think I could then do an even better job.

But I say to the Senator that a time comes when the appropriation cannot be reduced. If it is, and Federal buildings are allowed to deteriorate, they fall into such a state of disrepair as to constitute a reflection upon the very foundation of a firm Federal Government. Congress must not allow that to happen, because to do so would cast a reflection upon the excellency of the Government itself.

Mr. MAYBANK. Mr. President, will the Senator further yield?

Mr. THYE. I yield.

Mr. MAYBANK. I wish most respectfully to make a brief statement. I observe that the chairman of the committee is present, so if I say something wrong I hope I will be corrected.

Some appropriations have been reduced by the House with the expectation that the Senate, perhaps, will restore the reductions to some extent, especially in the case of public buildings, and including items for the cleaning of post offices and Federal court houses.

I make this statement, respectfully of course, because I really and honestly, in my heart, believe that sometimes in the House cuts are made with the thought that perhaps the Senate will take a second look at them.

Mr. THYE. I might say to the Senator from Illinois that when I asked to be assigned to the Committee on Appropriations, and when I was granted the

privilege of serving on that committee, I did not realize the kind of assignment for which I had asked, or the amount of labor to which I would be subjected or the amount of work which members of the Committee on Appropriations, more especially the senior members, accomplish in the 4 or 5 months of the session until the appropriation bills are passed, and finally are sent to conference.

I say, most respectfully, that members on the Republican side like the Senator from New Hampshire [Mr. BRIDGES], chairman of the committee and of a subcommittee, the Senator from North Dakota [Mr. YOUNG], the Senator from California [Mr. KNOWLAND], the Senator from Michigan [Mr. FERGUSON], the Senator from Oregon [Mr. CORDON], the Senator from Illinois [Mr. DIRKSEN], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from South Dakota [Mr. MUNDT], all of whom are chairman of subcommittees, and the Senator from Arizona [Mr. HAYDEN], the Senator from Nevada [Mr. MCCARRAN], the Senator from Georgia [Mr. RUSSELL], and the Senator from South Carolina [Mr. MAYBANK], to name some of the senior members of the committee on the Democratic side, work from 15 to 18 hours a day during the time the appropriation bills are under consideration in the committee.

Last week, the Senator from California [Mr. KNOWLAND] held 2 night sessions, and the committee sat until 11 o'clock at night, in order to report 1 appropriation bill. Then we met two nights later. The Senator from California carries not only the responsibility of the floor leadership of the majority, but also has carried his work on the Committee on Appropriations through to the point of reporting the bill to the full committee. The Senator from California has worked not only in the daytime, but in the nighttime, night after night, in order to accomplish these achievements.

Mr. MAYBANK. I might add that all day Saturday, a week ago, the Chairman of the Committee on Appropriations held the committee in session on the Treasury-Post Office appropriation bill.

Mr. THYE. The Senator certainly is correct.

Every member of the Committee on Appropriations, beginning with the chairman, the Senator from New Hampshire [Mr. BRIDGES], and including the Senator from Michigan [Mr. FERGUSON], the Senator from Oregon [Mr. CORDON], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from North Dakota [Mr. YOUNG], the Senator from California [Mr. KNOWLAND], the Senator from Wisconsin [Mr. MCCARTHY], the Senator from South Dakota [Mr. MUNDT], the Senator from Maine [Mr. SMITH], the Senator from Idaho [Mr. DWORSHAK], the Senator from Illinois [Mr. DIRKSEN], the Senator from Arizona [Mr. HAYDEN], the Senator from Georgia [Mr. RUSSELL], the Senator from Nevada [Mr. MCCARRAN], the Senator from New Mexico [Mr. CHAVEZ], the Senator from South Carolina [Mr. MAYBANK], the Senator from Louisiana [Mr. ELLENDER], the Senator from Alabama [Mr. HILL], the Senator from West Vir-

ginia [Mr. KILGORE], the Senator from Arkansas [Mr. McCLELLAN], the Senator from Virginia [Mr. ROBERTSON], the Senator from Washington [Mr. MAGNUSON], and myself, have worked diligently in the appropriation hearings, in order to report the appropriation bills promptly to the Senate.

Mr. MAYBANK. A week ago Saturday the Subcommittee on Treasury and Post Office worked all day long.

Mr. THYE. It is almost inconceivable to consider the amount of work which is conducted in the rooms of the Appropriations Committee, of which the public is not aware. Only this noon I had to ask the distinguished Senator from West Virginia [Mr. KILGORE], to take over the chairmanship of a subcommittee of which I am the chairman, because it was necessary for me to keep a dental appointment. The public simply is not aware of what is involved in the work of the Committee on Appropriations on the various appropriation bills.

So I say to the Senator from Illinois that sometimes it simply strains a man to be the perfect gentleman he should be on the Senate floor, when all the amendments which have been reported by the committee have been labored over in the committee. It is as if one's mother had scrubbed the floor, and her son then came in with dirty shoes and made a mess of her work after she had finished and the floor had dried.

Mr. DOUGLAS. I am very sorry if I have irritated the Senator from Minnesota or his colleagues on the committee, of whom I have a very high opinion. If I were to express my opinion of my colleagues by my actions on appropriation bills, my opinion of them is so high that I suppose I should seek to double every appropriation in order to indicate the high esteem in which I hold my colleagues.

But fortunately these are not personal matters between us, and we can oppose each other, while still having a high personal opinion of each other in the process.

I wish to assure the distinguished Senator from Minnesota that I know he is a conscientious, honest, hard-working, efficient public servant.

I am disappointed because, although last year I thought I had effected savings of more than \$4 million, I now find, for the first time, that a supplemental appropriation bill was slipped through, taking away \$3,800,000 of the savings, so that the net saving was only \$400,000, or less than four-tenths of 1 percent.

What I am pleading for is this: Is there not at least a 2-percent latent deficiency in the General Services Administration, so that they can accept a cut in the appropriation this year of \$2 million, and not have to come back to Congress for a supplemental appropriation? It is inconceivable to me that this efficient Administration cannot speed up by 2 percent. In private industry, we expect a worker to increase his output per man-hour by 4 percent. That is a general-average increase.

One would expect that an efficient, dynamic, businesslike administration

would be able to increase its efficiency 2 percent, especially since last year the efficiency was increased by only four-tenths of 1 percent.

That is really my case. I hope the Senate will reject the committee amendment.

Mr. BRIDGES. In the first place, the Senator from Illinois is referring to 1952, not to last year.

Second, I simply point out that it is not a question of efficiency in this matter; it is a question of what is economy. Is it economy to allow the condition of Federal buildings gradually to deteriorate, or is it economy to repair them when the expense of repairing can be kept at a minimum? This is the position of the Committee on Appropriations. The committee went into the matter thoroughly.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 21, line 2.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. DOUGLAS. Mr. President, on page 23, line 10, I ask that the committee amendment be rejected, so that the House figure may be restored.

The PRESIDING OFFICER. The clerk will state the committee amendment.

The LEGISLATIVE CLERK. On page 23, line 10, it is proposed to strike out "\$11,066,800" and to insert in lieu thereof "\$13,066,800."

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. DOUGLAS. The figures on this item are as follows: They deal with the revolving fund for supplies of the General Services Administration. The Budget submitted a figure of \$13,100,000. The House cut it to \$11,066,000. The committee has raised it by \$2 million, which is virtually the same figure submitted by the Bureau of the Budget.

The House justified its reduction on the ground that while the General Services Administration expected to make \$143 million of sales in 1955, nevertheless, based on the first 6 months of sales for the fiscal year 1954, the amount will actually be only \$105 million, or much less than it was believed it would be, and upon which the original Budget figure was submitted. It would certainly seem that with a reduction of 27 percent in volume, the appropriations to handle such operations could be cut by about 15 percent. In view of the fact that the Budget request is based on an overestimate of the amounts involved, it would certainly seem that the incidental expenses could be reduced.

Mr. BRIDGES. I wish to comment briefly so that the Senator will be informed. The amount of money appearing in the bill was taken from the defense appropriation bill. Prior to this time the particular operations involved were performed by the Department of Defense. They are now performed by the General Services Administration, and the amounts covering the same services will be omitted from the defense appropriation bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee on page 23, line 10.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. DOUGLAS. Mr. President, I know the Members of the Senate are not in any mood for consideration of my next amendment at this hour. Therefore, it may seem futile to offer it. However, hope springs eternal in the human breast.

I wish to call up my amendment relating to the National Advisory Committee for Aeronautics, which would strike out the increase voted by the committee on page 34, line 1.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 34, line 1, it is proposed to strike out "\$52,107,750" and insert "\$49,000,000."

The PRESIDING OFFICER. The objective sought to be accomplished by the amendment of the Senator from Illinois can be attained by rejecting the committee amendment.

Mr. DOUGLAS. The budget submitted a figure of \$53,600,000, although the appropriations for 1954 were only \$51 million. The House cut the amount to \$49 million plus \$1 million in carryovers for a total of \$50 million. The Senate committee has increased it to \$52,107,750. The House amount with the reappropriation is the same as the amount expected to be spent in 1954, namely, \$50 million. Thus, by holding to the House figure, we would allow the same amount to be spent as will be spent this fiscal year.

I wish now to make a general comment. The National Advisory Committee for Aeronautics has, over the years, spent enormous amounts of money for purposes not known to the general public or to the Senate, and there has been very little scrutiny of its expenditures, policies, and what has been done. It is one of the mystery children of the National Government, and it has spent enormous sums of money. I see no reason why the Senate should raise the amounts previously spent by the National Advisory Committee for Aeronautics by \$3 million. My amendment proposes that the figure be held to that which has prevailed in the past.

Mr. BRIDGES. As the Senator from Illinois has said, the National Advisory Committee for Aeronautics does have some mystery about it, but the money would be used for enormous wind tunnels.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. MAYBANK. The money which is requested is for the purpose of operating wind tunnels for which money has been appropriated. Am I correct?

Mr. BRIDGES. The Senator is correct.

Mr. MAYBANK. The wind tunnels have been constructed in order to test planes, and the requested money is to operate the wind tunnels. If no money for that purpose is appropriated, the \$75

million plant which was built cannot be operated.

Mr. BRIDGES. The Senator is correct. I may point out that the life of this country may depend on the operation of the wind tunnels. I quote from a report which I hold in my hand:

The possession of superior aircraft and missiles is vital to our national security. It is well known that such superiority is achieved and maintained only through continuous research and development.

It is in wind tunnels that the latest flying missiles and jet planes are developed. If America is to hold its own in a world which we sometimes think mad, and in which our enemies are on the move, we will never be able to compete on the basis of manpower. The only way in which we shall be able to compete is by virtue of our productive capacity, research, and scientific development. The appropriation in question is more important than any other appropriation, except that for atomic energy. I agree that there is some mystery regarding such tests, but I think we would be cutting off our own noses if we reduce the appropriation.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee on page 34, line 1.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. DOUGLAS. Mr. President, I call up my amendment designated as "5-17-54-C."

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 20, line 8, it is proposed to strike out "\$31,981,000: *Provided*" and insert in lieu thereof "\$32,481,000, of which \$500,000 shall be for the purpose of carrying out section 206 of Legislative Reorganization Act of 1946, as amended: *Provided further*."

Mr. BRIDGES. Mr. President, will the Senator yield, before he starts?

Mr. DOUGLAS. First, I should like to make a statement.

Mr. BRIDGES. I was shocked when I saw that the amendment provides for an increase.

Mr. DOUGLAS. I propose only sound economies.

Very briefly, what the amendment proposes to do is to give to the General Accounting Office \$500,000 so that Office can represent the taxpayers in appropriation hearings before the Senate and the House and furnish information to all Members to help achieve economies. When the Legislative Reorganization Act was passed in 1946, there was included in it section 206, which provided that the General Accounting Office should make expenditures analyses to be helpful to Congress in protecting the taxpayer. Representatives of the GAO could thus appear before Appropriations Committees with audits of work in the various Government departments, and hence would be able to inform the House and the Senate where it was thought efficient economies could be effected. Such an objective seems to me absolutely desirable because, as was stated by the Senator from Minnesota, the pressure upon

the Appropriations Committee is always in favor of the appropriation. The members of the committee are battered, so to speak, not into insensibility, but into acquiescence by the pressure both from the governmental bureaus and those outside, who are either trying to hold to a certain appropriation or increase it. I think we should have a public defender.

One of the greatest problems Congress faces in its attempts to protect the taxpayer is getting complete and unbiased information about agency programs and operations. The budget requests are presented and explained by the agencies themselves, which have a stake in these programs and are therefore opposed to reductions. What Congress needs is a group of experts to work for the taxpayer's interest to offset the vested interest of the bureau chiefs in their own appropriations.

Congress has never voted the funds for the Comptroller General to carry out the economy provisions of the Legislative Reorganization Act. This administration pledged itself to economy, and I favor all possible economies which do not damage the national welfare. The amendments I have proposed fall squarely in that category.

I recognize my own deficiencies of ability, energy, and knowledge, and I do not regard myself as an adequate public defender. However, it seems to me that the Comptroller General of the United States, who inspects governmental agencies, is admirably equipped to appear before the legislative committees and to point out to them the weak spots in the budget. The Bureau of the Budget helps the Executive; but once the budget is submitted, the representatives of the Bureau of the Budget, and the agencies in turn, are in combination against the legislature.

The amendment would really provide us with an offset both to the Bureau of the Budget and to the governmental bureaucrats.

Mr. BRIDGES. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. BRIDGES. I have listened very attentively to the Senator from Illinois. I am surprised to find that, after all his economy amendments, he now proposes an amendment to increase the appropriations by \$500,000.

Mr. DOUGLAS. The purpose is to save tens of millions of dollars in the future.

Mr. BRIDGES. That is the argument I was using in regard to the subject of repairs, but that argument seemed to fall on deaf ears.

Mr. President, why did not the Senator from Illinois present his case to the Appropriations Committee, so it could have gone at some length into the matter? He has been talking about pressure groups; but now he is the No. 1 pressure group on the floor of the Senate, in favor of increased spending.

Mr. DOUGLAS. That is a legitimate function of a United States Senator.

Mr. BRIDGES. Does the Senator from Illinois mean it is a legitimate function of a United States Senator to

be a pressure group for increased spending? [Laughter.]

Mr. DOUGLAS. No; but I think it is a legitimate function of a United States Senator to do all he can in behalf of what he believes to be correct—unless the Senator from New Hampshire wishes to have a group of 95 Charlie McCarthys acquiesce in everything he proposes.

Mr. CORDON. Mr. President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. I yield.

Mr. CORDON. If we may depart for a moment from persiflage, let me say that although representatives of the General Accounting Office do not appear to testify on every item before the Appropriations Committee—for, of course, that would require 3 or 4 General Accounting Offices—that Office does report on major segments of the appropriations. The examinations conducted by the General Accounting Office must, of necessity, be with respect to what has passed.

Mr. DOUGLAS. That is correct.

Mr. CORDON. On that basis, the General Accounting Office submits to the congressional committees its recommendations on the subject of what should be done in the future in connection with matters thus criticized, as they have been handled in the past. We regularly receive such testimony.

Mr. DOUGLAS. That is correct. However, the representatives of the General Accounting Office do not appear before the committee at the time when the appropriation bills are under consideration; nor on an overall basis. At present, their reports are spasmodic and accidental insofar as they discover waste in the process of general investigations.

Mr. CORDON. However, the reports are made. If the Appropriations Committee desires to use them, the reports are available.

Mr. DOUGLAS. Mr. President, this amendment would provide funds with which the Comptroller General could adequately perform his function. Although I have not examined the legislative debate in connection with the Reorganization Act, it is my impression that the senior Senator from New Hampshire [Mr. BRIDGES] was one of the strongest advocates of section 206, to give this power to the Comptroller General.

So I submit that this amendment is a very constructive one, and that in the long run perhaps it will result in saving even more than the \$10 million that would have been saved under my proposals the Senator from New Hampshire has already turned down.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois. [Putting the question.]

The amendment was rejected.

The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H. R. 8593) was passed.

Mr. BRIDGES. Mr. President, I move that the Senate insist on its amendments, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. SALTONSTALL, Mr. BRIDGES, Mr. FERGUSON, Mr. CORDON, Mr. HICKENLOOPER, Mr. MAYBANK, Mr. HILL, and Mr. ELLENDER conferees on the part of the Senate.

TRANSMISSION AND DISPOSITION OF ELECTRIC ENERGY GENERATED AT FALCON DAM

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of Senate bill 3090, Calendar No. 1343, authorizing the transmission and disposition by the Secretary of the Interior of electric energy generated at Falcon Dam on the Rio Grande.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 3090) to authorize the transmission and disposition by the Secretary of the Interior of electric energy generated at Falcon Dam on the Rio Grande.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 3090) to authorize the transmission and disposition by the Secretary of the Interior of electric energy generated at Falcon Dam on the Rio Grande.

LEGISLATIVE PROGRAM

Mr. KNOWLAND. Mr. President, at this time I desire to make an announcement regarding the program.

Senate bill 3090, Calendar No. 1343, authorizing the transmission and disposition by the Secretary of the Interior of electric energy generated at Falcon Dam, on the Rio Grande, has just been made the unfinished business. When the Senate concludes its action on that bill, I then propose to have made the unfinished business Senate Resolution 234, Calendar No. 1233, authorizing the Committee on Rules and Administration to make expenditures and employ temporary personnel. It is planned to have the Senate take up that resolution tomorrow. It deals with the provision of funds for the Privileges and Elections Subcommittee of the Committee on Rules and Administration.

Thereafter, it is planned to have the Senate take up Senate bill 2225, Calendar No. 1317, relating to the administrative jurisdiction of certain public lands in the State of Oregon, and for other purposes; and the consideration of that bill will be followed, it is planned, by the consideration of Senate bill 975, Calendar No. 1190, to amend the Home Owners' Loan Act of 1933, as amended.

When action on that bill has been concluded, it is planned to have the Senate take up Senate Joint Resolution 53, Calendar No. 1066, proposing an amendment to the Constitution of the United States to grant to citizens of the United States who have attained the age of 18 the right to vote. Following action on that joint resolution, there may be other measures which we shall wish to have the Senate take up immediately thereafter; but so far as the program is now scheduled, that will be the order of the consideration of the various measures.

However, in the event that the author of one of those measures or the chairman of the committee which has reported one of them is not available at the particular time when the Senate is ready to consider it, I shall then request the Senate to take up one of the other measures I have mentioned. However, I believe the order I have just stated will be the order in which those measures will be considered.

Mr. DOUGLAS. Mr. President, will the Senator from California yield to me?

Mr. KNOWLAND. I yield.

Mr. DOUGLAS. Let me inquire as to the intention of the Senator of California regarding Senate bill 975, Calendar No. 1190, to amend the Home Owners Loan Act of 1933, as amended.

Mr. KNOWLAND. I expect to have the Senate take up that bill fourth among the group of measures to which I have just referred, and it is planned to have it taken up tomorrow.

Mr. DOUGLAS. The Senator from California expects to have that bill reached tomorrow, does he?

Mr. KNOWLAND. Yes; I expect that we shall reach it sometime tomorrow.

Mr. President, today the Appropriations Committee has reported the civil functions appropriation bill, House bill 8367; and I plan to have the Senate take up that bill sometime early next week, but not on Monday. However, from Tuesday on, we would expect to be able to have the Senate take up that bill.

I cannot state the exact sequence in which these measures will be considered next week, because it is quite likely that sometime during the week—at a time to be determined by the colleague of the late Senator Hoey, of North Carolina, and the minority leader and other Senators who will have the matter under consideration, after consultation with the family of Senator Hoey—the Senate will hold a memorial service for Senator Hoey. As I have previously announced, I shall adjust the program of the Senate in order to meet the wishes of the minority and of the family of the deceased, in that regard.

Mr. MORSE. Mr. President, I desire the attention of the Senator from Pennsylvania [Mr. MARTIN], and, for that matter, the attention of the Senator from Connecticut [Mr. BUSH], and the attention of the Senator from Florida [Mr. HOLLAND], who are other members of the Public Works Committee, whom I see present in the Chamber.

I find myself in a position which makes it necessary to make this record as a member of the Public Works Committee. In my opinion a matter of procedure is

involved. I do not feel that this bill should be before the Senate at this particular time, because of certain action which was taken in the Public Works Committee, which action I interpreted as an assurance to me that, following a reply from the Department of the Interior in respect to the meaning of the preference clause, if that reply were not consistent with language which I proposed and the Public Works Committee tentatively adopted, there would be further discussion of the subject in the Public Works Committee before the bill was reported to the Senate.

I made it very clear at that time that it would be my desire to call certain witnesses before the committee for discussion of the meaning of the public preference clause.

I wish to make it very clear to my friend from Texas [Mr. JOHNSON] that I am an enthusiastic supporter of the Falcon Dam project, and that the controversy in which we find ourselves is a controversy over the meaning of certain language; but the meaning of that language is of great importance in connection with this and other power projects which will come before the Senate and many already in operation.

I think my position has been made as clear as I can make it. I should like to have any member of the Public Works Committee who feels that I am mistaken in my interpretation of what happened in that committee discuss the question after I read a statement which was inserted in the record of last Monday. However, I am perfectly satisfied that most Members of the Senate are not aware of it. I said then, and I repeat now:

When this bill was considered two and a half weeks ago by the Public Works Committee, I proposed that the following language be included in the report:

"This provision would make applicable to this project the priorities provided in similar past legislation such as the Flood Control Act of 1944, namely, that electric power and energy will be marketed and will be made available to public bodies and cooperatives, subject only to such requirements of notice as may be necessary to permit satisfactory planning."

It was explained that the Department of the Interior had cast doubt upon the meaning of the preference clauses in existing law by its promulgation of the Missouri Basin marketing criteria. As originally issued, the Department's criteria had the effect of freezing preference at a given point of time, thereby denying to public and nonprofit agencies (such as rural electric co-ops) the opportunity to exercise preference rights some time after initial allocation of the power from a project is made. New co-ops coming into existence and those expanding service would be denied power at low rates or would be obliged to contract at the time of first allocation for more than its existing needs, thereby increasing consumer costs.

The committee adopted the language I proposed. Toward the close of the meeting a member of the committee came in and he was brought up to date on the committee's action. He said that as the Interior Department was to be the marketing agency he thought the proposed language should be submitted to the Secretary for comment. It was agreed that if the language were acceptable, the bill would be reported with the addition without further committee action.

It was agreed that if the Department of the Interior objected to the proposed language on preference, there would be not merely further consideration by the Public Works Committee but a hearing on the preference provisions.

Assistant Secretary Aandahl did object by letter dated May 5. On May 7 copies were distributed to committee members with a covering staff memorandum which concluded:

"In view of the foregoing changes in the situation since the committee agreed on a contingent basis to report this bill, the memorandum is submitted for further instructions from the committee."

No further committee meeting was held on this bill. It was reported on May 14 without the language in the report tentatively adopted by the committee.

I submit that the bill is not properly before the Senate and should be withdrawn from the calendar by the committee.

We are always able to iron out our differences in the committee. At least, that has been my experience in the Public Works Committee. I am satisfied that a session of that committee would result at least in some action by the committee. The committee might wish to reverse itself with respect to the language which it tentatively adopted, and which I submitted, but I certainly think there should be committee discussion. I am inclined to think that there has been an oversight on the part of the committee. I do not believe the committee would want to report the bill to the Senate after I had what I thought was a clear understanding with the committee that, if the report of the Department of the Interior should be adverse to the language which I submitted, there would be further discussion of the subject in committee and an opportunity for a hearing.

What worries me about the refusal of the Department of the Interior to accept the language which I offer in the committee is that its refusal to accept means, it seems to me, that it proposes to modify what I have always thought, at least, was the meaning of the preference clause in the Flood Control Act of 1944, because in the language which I submitted to the committee, I thought I was setting out the meaning of the preference clause of the Flood Control Act of 1944.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. MORSE. In a moment.

I had become disturbed about the Missouri Basin criteria controversy, and I was disturbed by the fact that at least at one time in that controversy the Department of the Interior seemed to be following a course of action which would require the preference groups to contract for power in advance far beyond their anticipation of the amount of power which would be needed or lose their opportunity to obtain power. I could not reconcile that with what I believed to be the meaning of the preference clause of the 1944 act. So all I proposed was that we insert language which would carry out at least what I thought was the meaning of the 1944 act, namely, that "electric power and energy will be marketed and will be made available to public bodies and cooperatives, subject only to such requirements of notice as may be necessary to permit satisfactory planning."

In our committee discussions it was pointed out by 1 or 2 members of the committee, as I recall, that they did not think language should be used which would permit the Government to stop off all at once power which had been made available to so-called private utilities. I agreed. I think it was the Senator from Florida [Mr. HOLLAND] who engaged in the colloquy in the committee. His position at that time, as I recall, was that he felt that the language I had used meant exactly that—that time would have to be allowed for necessary planning in case there were any proposal to make power available to a preference public utility which found that it needed the power under the preference clause. On that point we were in complete agreement, and with the exception of one member, it was the consensus of opinion in the committee that the act of 1944 meant what my language implied, and that if the Department of the Interior disagreed with that interpretation, we would have further discussion.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. JOHNSON of Texas. Is it the view of the Senator from Oregon that the bill would in any way change the preference clause of the Flood Control Act of 1944?

Mr. MORSE. In view of the refusal of the Department of the Interior to accept the language which the committee adopted, I am afraid that that is exactly the effect.

Mr. JOHNSON of Texas. It seems to me that the committee makes it abundantly clear that the language in the bill in no way seeks to change or amend or modify or interpret the preference clause.

Mr. MORSE. I am afraid the Senator from Texas did not understand me.

Mr. JOHNSON of Texas. I call attention to this paragraph in the report:

The language in this bill with respect to marketing and preference provisions is identical with that in existing law, in section 5 of the 1944 Flood Control Act. This bill, therefore, makes applicable to this project the same marketing and preference provisions of existing law which have been in effect since the enactment of the 1944 act.

A little further on in the report, at page 4, I find the following statement:

The committee finds that such designation for marketing of the power from the Falcon project under the same provisions as in section 5 of the Flood Control Act of 1944 is necessary in order to provide for full utilization of the project. Accordingly, it recommends enactment of this legislation.

Mr. President, I should like to make one observation. It may very well be true that there is an interpretation placed on the preference clause in the Flood Control Act to which the Senator from Oregon objects. However, it is not the purpose of this proposed legislation to amend that act or to modify the act or to change it or to interpret it. The purpose of the pending legislation is to provide for the distribution of power in accordance with the Flood Control Act of 1944. The public power interests of my State have asked that a sentence be

put in the bill making it abundantly clear that the Flood Control Act of 1944 will be followed.

The chairman of the committee and other members of the committee, as well as the committee report, give us assurance that that is being done.

Everyday we wait we lose power, because water is being released through this dam now in order to serve farmers located down the river.

I am very hopeful that the Senator from Oregon will permit the bill to be passed at this time. If he desires to propose legislation which will strengthen the flood control act, or amend it, we can discuss that subject on its merits.

The dam has water behind it now, and we need that water for irrigation purposes. There is no reason why power should not be generated as the water is released. It is a somewhat urgent matter, and I hope the Senator from Oregon will allow the bill to pass.

If he wishes to change the Flood Control Act of 1944, and surround it with some safeguards or strengthen it, we can debate that issue. However, I ask him not to do it at the expense of the Falcon Dam in Texas.

Mr. MORSE. I will say two things to my friend from Texas. In the first place, I believe the Flood Control Act of 1944 means exactly what the language the committee tentatively adopted for inclusion in its report says it means. We were of that opinion in committee.

I do not believe there is a word in the language proposed by me which would in any way modify the Flood Control Act of 1944.

Therefore, I ask again on the floor of the Senate: What is the objection to the language proposed by me?

Mr. JOHNSON of Texas. I am sure the Senator from Oregon has the best intentions, but I do not want him to impede the Falcon Dam project because of his views on the general preference clause, and get the bill vetoed or hung up or tied up, because this is a very urgent project.

Mr. MORSE. Does the Senator from Texas have any objection to the language?

Mr. JOHNSON of Texas. I have no objection to it, but I hope the Senator from Oregon will not insist on putting that language in this bill, because I do not know whether the bill will ever see the light of day if he does.

Mr. MORSE. I find that to be very interesting. The Senator from Texas does not know whether the bill will see the light of day if we add to it language which the members of the Public Works Committee agreed with me seeks to bring out definitively the meaning of the Flood Control Act of 1944.

Now we get down to the Department of the Interior, and it takes exception to that language. I find myself in the position where from the standpoint of precedent I do not want to go along, at least without further discussion in the Public Works Committee of this situation.

If there is something wrong with the language proposed by me, or if it is inconsistent with the Flood Control Act of

83^D CONGRESS
2^D SESSION

H. R. 8583

IN THE HOUSE OF REPRESENTATIVES

MAY 19, 1954

Ordered to be printed with the amendments of the Senate numbered

AN ACT

Making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1955, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the Execu-
5 tive Office and sundry independent executive bureaus, boards,
6 commissions, corporations, agencies, and offices, for the
7 fiscal year ending June 30, 1955, namely:

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TITLE I

EXECUTIVE OFFICE OF THE PRESIDENT

COMPENSATION OF THE PRESIDENT

For compensation of the President, including an expense allowance at the rate of \$50,000 per annum, as authorized by the Act of January 19, 1949 (3 U. S. C. 102), \$150,000.

THE WHITE HOUSE OFFICE

Salaries and expenses: For expenses necessary for The White House Office, including not to exceed \$215,000 for services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), at such per diem rates for individuals as the President may specify, and other personal services without regard to the provisions of law regulating the employment and compensation of persons in the Government service; newspapers, periodicals, teletype news service, and travel and official entertainment expenses of the President, to be accounted for solely on his certificate; \$1,895,000.

EXECUTIVE MANSION AND GROUNDS

For the care, maintenance, repair and alteration, refurnishing, improvement, heating and lighting, including electric power and fixtures, of the Executive Mansion and the Executive Mansion grounds, and traveling expenses, to be expended as the President may determine, notwithstanding the provisions of this or any other Act, \$366,200.

BUREAU OF THE BUDGET

Salaries and expenses: For expenses necessary for the Bureau of the Budget, including newspapers and periodicals (not exceeding \$200) ; teletype news service (not exceeding \$900) ; not to exceed \$70,000 for expenses of travel; and not to exceed \$20,000 for services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a) , at rates not to exceed \$50 per diem for individuals; \$3,382,500: *Provided*, That the Bureau of the Budget is authorized, without regard to section 505 of the Classification Act of 1949, to place two additional positions in grade GS-18 and two additional positions in grade GS-17 of the General Schedule established by said Act.

COUNCIL OF ECONOMIC ADVISERS

Salaries and expenses: For necessary expenses of the Council in carrying out its functions under the Employment Act of 1946 (15 U. S. C. 1021) , including newspapers and periodicals (not exceeding \$200) ; not exceeding \$15,000 for expenses of travel; and press clippings (not exceeding \$300) ; ~~(1)\$250,000~~ \$285,000, together with the unobligated balance of funds appropriated for this purpose in the "Supplemental Appropriation Act, 1954".

NATIONAL SECURITY COUNCIL

Salaries and expenses: For expenses necessary for the National Security Council, including services as authorized

1 by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a),
 2 at rates not in excess of \$50 per diem for individuals; ac-
 3 ceptance and utilization of voluntary and uncompensated
 4 services; and expenses of attendance at meetings concerned
 5 with work related to the activity of the Council; ~~(2)\$200,000~~
 6 \$215,000.

7 OFFICE OF DEFENSE MOBILIZATION

8 Salaries and expenses: For expenses necessary for the
 9 Office of Defense Mobilization, including newspapers and
 10 periodicals (not exceeding \$500); hire of passenger motor
 11 vehicles; reimbursement of the General Services Adminis-
 12 tration for security guard service; and expenses of attendance
 13 at meetings concerned with the purposes of this appropria-
 14 tion; ~~(3)\$2,134,000~~ \$2,486,000, of which ~~(4)\$134,000~~
 15 \$161,000 shall be available for the Interdepartmental Radio
 16 Advisory Committee: *Provided*, That contracts for not to ex-
 17 ceed eight persons under this appropriation for temporary or
 18 intermittent services as authorized by section 15 of the Act of
 19 August 2, 1946 (5 U. S. C. 55a), may be renewed annually.

20 FUNDS APPROPRIATED TO THE PRESIDENT

21 EMERGENCY FUND FOR THE PRESIDENT

22 NATIONAL DEFENSE

23 For expenses necessary to enable the President, through
 24 such officers or agencies of the Government as he may
 25 designate, and without regard to such provisions of law

1 regarding the expenditure of Government funds or the com-
2 pensation and employment of persons in the Government
3 service as he may specify, to provide in his discretion for
4 emergencies affecting the national interest, security, or de-
5 fense which may arise at home or abroad during the current
6 fiscal year, \$150,000, together with not to exceed \$600,000
7 of the unobligated balance in such fund on June 30, 1954:
8 *Provided*, That no part of this appropriation shall be avail-
9 able for allocation to finance a function or project for which
10 function or project a budget estimate of appropriation was
11 transmitted pursuant to law during the Eighty-third Con-
12 gress, second session, and Eighty-fourth Congress, first ses-
13 sion, and such appropriation denied after consideration
14 thereof by the Senate or House of Representatives or by
15 the Committee on Appropriations of either body.

16 EXPENSES OF MANAGEMENT IMPROVEMENT

17 For expenses necessary to assist the President in improv-
18 ing the management of executive agencies and in obtaining
19 greater economy and efficiency through the establishment
20 of more efficient business methods in Government operations,
21 including services as authorized by section 15 of the Act of
22 August 2, 1946 (5 U. S. C. 55a), at rates for individuals
23 not to exceed \$50 per diem, by allocation to any agency or
24 office in the executive branch for the conduct, under the
25 general direction of the Bureau of the Budget, of examina-

1 tions and appraisals of, and the development and installation
 2 of improvements in, the organization and operations of such
 3 agency or of other agencies in the executive branch,
 4 ~~(5)\$250,000~~ \$300,000, to remain available until expended,
 5 and which shall be available without regard to the provisions
 6 of subsection (c) of section 3679 of the Revised Statutes, as
 7 amended.

8 INDEPENDENT OFFICES

9 ~~(6)~~ADVISORY COMMITTEE ON WEATHER CONTROL

10 SALARIES AND EXPENSES

11 *For necessary expenses of the Advisory Committee on*
 12 *Weather Control, established by the Act of August 13, 1953*
 13 *(67 Stat. 559), including services as authorized by section*
 14 *15 of the Act of August 2, 1946 (5 U. S. C. 55a), \$120,000.*

15 AMERICAN BATTLE MONUMENTS COMMISSION

16 Salaries and expenses: For necessary expenses, as
 17 authorized by the Act of June 26, 1946 (36 U. S. C. 121,
 18 123-132, 138), including the acquisition of land or interest
 19 in land in foreign countries; purchase and repair of uni-
 20 forms for caretakers of national cemeteries and monuments
 21 outside of the United States and its Territories and posses-
 22 sions at a cost not exceeding \$500; not to exceed \$12,000
 23 for expenses of travel; rent of office and garage space in
 24 foreign countries; purchase of one passenger motor vehicle
 25 for replacement only; and insurance of official motor vehicles

1 in foreign countries when required by law of such countries;
2 \$775,000: *Provided*, That where station allowance has
3 been authorized by the Department of the Army for officers
4 of the Army serving the Army at certain foreign stations,
5 the same allowance shall be authorized for officers of the
6 Armed Forces assigned to the Commission while serving
7 at the same foreign stations, and this appropriation is hereby
8 made available for the payment of such allowance: *Pro-*
9 *vided further*, That when traveling on business of the Com-
10 mission, officers of the Armed Forces serving as members or
11 as secretary of the Commission may be reimbursed for ex-
12 penses as provided for civilian members of the Commission:
13 *Provided further*, That the Commission may reimburse other
14 Government agencies, including the Armed Forces, for sal-
15 ary, pay, and allowances of personnel assigned to it.

16 Construction of memorials and cemeteries: For expenses
17 necessary for the permanent design and construction of
18 memorials and cemeteries in foreign countries as authorized
19 by the Act of June 26, 1946 (36 U. S. C. 121, 123-132,
20 138b), and the Act of August 5, 1947 (50 U. S. C. App.
21 1819), including purchase of one passenger motor vehicle for
22 replacement only, and not to exceed \$41,276 for expenses of
23 travel, \$3,500,000, to remain available until expended:
24 *Provided*, That the Commission is hereby authorized to erect
25 such works of architecture and art in the National Memorial

1 Cemetery of the Pacific as may be determined by the Com-
 2 mission with the consent of the Secretary of the Army (7) :
 3 *Provided further, That the Commission may reimburse other*
 4 *Government agencies, including the Armed Forces, for*
 5 *salary, pay, and allowances of personnel assigned to it.*

6 ATOMIC ENERGY COMMISSION

7 Operating expenses: For necessary operating expenses
 8 of the Commission in carrying out the purposes of the Atomic
 9 Energy Act of 1946, including the employment of aliens;
 10 (8) *rental in the District of Columbia*; services authorized by
 11 section 15 of the Act of August 2, 1946 (5 U. S. C. 55a) ;
 12 maintenance and operation of aircraft; publication and
 13 dissemination of atomic information; purchase, repair, and
 14 cleaning of uniforms; purchase of newspapers and periodi-
 15 cals (not to exceed \$5,000) ; official entertainment expenses
 16 (not to exceed \$5,000) ; not to exceed \$2,564,130 for
 17 expenses of travel; reimbursement of the General Services
 18 Administration for security guard services; not to exceed
 19 \$37,232,900 for personal services; and hire of passenger
 20 motor vehicles; (9) ~~\$1,093,462,300~~ \$1,102,780,300, to-
 21 gether with the unexpended balances, as of June 30, 1954,
 22 of prior year appropriations made available under this head
 23 to the Atomic Energy Commission: *Provided, That of such*
 24 *amounts \$100,000 may be expended for objects of a confi-*
 25 *dential nature and in any such case the certificate of the*

1 Commission as to the amount of the expenditure and that it is
2 deemed inadvisable to specify the nature thereof shall be
3 deemed a sufficient voucher for the sum therein expressed to
4 have been expended: *Provided further*, That from this ap-
5 propriation transfers of sums may be made to other agencies
6 of the Government for the performance of the work for which
7 this appropriation is made, and in such cases the sums so
8 transferred may be merged with the appropriation to which
9 transferred: *Provided further*, That no part of this appropria-
10 tion shall be used to pay the salary of any officer or employee
11 (except such officers and employees whose compensation is
12 fixed by law, and scientific and technical personnel) whose
13 position would be subject to the Classification Act of 1949,
14 as amended, if such Act were applicable to such position, at
15 a rate in excess of the rate payable under such Act for posi-
16 tions of equivalent difficulty or responsibility: *Provided*
17 *further*, That no part of this appropriation shall be used in
18 connection with the payment of a fixed fee to any contractor
19 or firm of contractors engaged under a cost-plus-a-fixed-fee
20 contract or contracts at any installation of the Commission,
21 where that fee for community management is at a rate in
22 excess of \$90,000 per annum, or for the operation of a trans-
23 portation system where that fee is at a rate in excess of
24 \$45,000 per annum.

1 Plant and equipment: For expenses of the Commission
2 in connection with the purchase and construction of plant
3 and the acquisition of equipment and other expenses inci-
4 dental thereto necessary in carrying out the purposes of the
5 Atomic Energy Act of 1946, including purchase of land and
6 interests in land; purchase of aircraft; purchase (not to exceed
7 two hundred and fifty-eight for replacement only) and
8 hire of passenger motor vehicles; ~~(10)\$96,498,400~~ \$130,-
9 000,000, to remain available until expended: *Provided*, That
10 the unexpended balances of prior year appropriations made
11 available under this head shall be merged with this appropria-
12 tion: *Provided further*, That in addition to funds allocated for
13 research and development for reactors the Commission may
14 expend from funds provided under this head such sum as
15 may be necessary, not to exceed \$7,000,000, for beginning
16 of research or construction of such reactors, without regard
17 to any other provision of this Act: *Provided further*, That no
18 part of the foregoing appropriation shall be available for the
19 construction of any office building, residence, warehouse or
20 similar structure, utility, or other specific portion or unit of a
21 project, unless funds are available for the completion of such
22 building, utility, or other specific portion or unit of such project.
23 The foregoing proviso shall not be construed to prevent the pur-
24 chase of land for any project, the construction of any new
25 building or procurement of any machinery, equipment or

1 materials therefor, nor any utility nor any portion or unit of
2 a specific project if the funds are available to pay the cost of
3 such land, the cost of such building, machinery, equipment,
4 or materials, or the cost of such utility or the cost of any
5 such specific portion or unit of such project: *Provided*
6 *further*, That no part of this appropriation shall be used—

7 (A) to start any new construction project for which
8 an estimate was not included in the budget for the
9 current fiscal year unless it be a substitute therefor
10 within the limits of cost included in the budget; and

11 (B) to start any new construction project the
12 currently estimated cost of which exceeds by thirty-
13 five per centum the estimated cost included therefor
14 in such budget (11): *Provided further, That not to ex-*
15 *ceed \$2,500,000 of the funds herein provided may be*
16 *transferred to the Bureau of Public Roads, Department*
17 *of Commerce, for the construction or improvement of*
18 *access roads in the United States to sources of uranium*
19 *ore.*

20 No part of the appropriations herein made to the Atomic
21 Energy Commission shall be available for payments under
22 any contract hereafter negotiated without advertising by the
23 Commission, except contracts with any foreign government
24 or any agency thereof and contracts for source material with
25 foreign producers, unless such contract includes a clause to

1 the effect that the Comptroller General of the United States
2 or any of his duly authorized representatives shall until the
3 expiration of three years after final payment have access
4 to and the right to examine any directly pertinent books,
5 documents, papers, and records of the contractor or any
6 of his subcontractors engaged in the performance of and
7 involving transactions related to such contracts or subcon-
8 tracts: *Provided*, That no part of such appropriations shall
9 be available for payments under any such contract which
10 includes any provision precluding an audit by the General
11 Accounting Office of any transaction under such contract.

12 Any appropriation available under this Act or hereto-
13 fore made to the Atomic Energy Commission may initially
14 be used subject to limitations in this Act during the fiscal
15 year 1955 to finance the procurement of materials, services,
16 or other costs which are a part of work or activities for which
17 funds have been provided in any other appropriation avail-
18 able to the Commission: *Provided*, That appropriate transfers
19 or adjustments between such appropriations shall subse-
20 quently be made for such costs on the basis of actual appli-
21 cation determined in accordance with generally accepted
22 accounting principles.

23 Not to exceed 5 per centum of any appropriation under
24 this head may be transferred to any other such appropria-

1 tion but no such appropriation shall be increased by more
2 than 5 per centum by any such transfers, and any such
3 transfers shall be reported promptly to the appropriations
4 committees of the House and Senate.

5 No part of any appropriation herein made to the
6 Atomic Energy Commission shall be used to confer a fellow-
7 ship on any person who advocates or who is a member of an
8 organization or party that advocates the overthrow of the
9 Government of the United States by force or violence or with
10 respect to whom the Commission finds, upon investigation
11 and report by the Civil Service Commission on the char-
12 acter, associations, and loyalty of whom, that reasonable
13 grounds exist for belief that such person is disloyal to the
14 Government of the United States: *Provided*, That any per-
15 son who advocates or who is a member of an organization
16 or party that advocates the overthrow of the Government
17 of the United States by force or violence and accepts em-
18 ployment or a fellowship the salary, wages, stipend, grant,
19 or expenses for which are paid from any appropriation con-
20 tained herein shall be guilty of a felony and, upon convic-
21 tion, shall be fined not more than \$1,000 or imprisoned
22 for not more than one year, or both: *Provided further*,
23 That the above penal clause shall be in addition to, and not
24 in substitution for, any other provisions of existing law.

1 CIVIL SERVICE COMMISSION

2 Salaries and expenses: For necessary expenses, in-
3 cluding not to exceed \$29,000 for services as authorized
4 by section 15 of the Act of August 2, 1946 (5 U. S. C.
5 55a); not to exceed \$10,000 for medical examinations
6 performed for veterans by private physicians on a fee
7 basis; travel expenses of examiners acting under the direc-
8 tion of the Commission, and expenses of examinations and
9 investigations held in Washington and elsewhere; not to
10 exceed \$100 for the purchase of newspapers and periodicals
11 (excluding scientific, technical, trade or traffic periodicals,
12 for official use); payment in advance for library member-
13 ship in societies whose publications are available to members
14 only or to members at a price lower than to the general
15 public; not to exceed \$65,000 for performing the duties
16 imposed upon the Commission by the Act of July 19,
17 1940 (54 Stat. 767); reimbursement of the General Services
18 Administration for security guard services for protection of
19 confidential files; not to exceed \$443,000 for expenses
20 of travel; and not to exceed \$5,000 for actuarial services
21 by contract, without regard to section 3709, Revised
22 Statutes, as amended; \$15,575,600: *Provided*, That no
23 details from any executive department or independent estab-
24 lishment in the District of Columbia or elsewhere to the Com-
25 mission's central office in Washington or to any of its

1 regional offices shall be made during the current fiscal year,
2 but this shall not affect the making of details for service as
3 members of the boards of examiners outside the immediate
4 offices of the Commission in Washington or of the regional
5 directors, nor shall it affect the making of details of persons
6 qualified to serve as expert examiners on special subjects:
7 *Provided further*, That the Civil Service Commission shall
8 have power in case of emergency to transfer or detail any
9 of its employees to or from its office or field force.

10 No part of the appropriations herein made to the Civil
11 Service Commission shall be available for the salaries and
12 expenses of the Legal Examining Unit in the Examining
13 and Personnel Utilization Division of the Commission,
14 established pursuant to Executive Order 9358 of July
15 1, 1943, or for the compensation or expenses of any
16 member of a board of examiners (1) who has not made
17 affidavit that he has not appeared in any agency proceeding
18 within the preceding two years, and will not thereafter while
19 a board member appear in any agency proceeding, as a
20 party, or in behalf of a party to the proceeding, before an
21 agency in which an applicant is employed who has been
22 rated or will be rated by such member; or (2) who, after
23 making such affidavit, has rated an applicant who at the
24 time of the rating is employed by an agency before which
25 the board member has appeared as a party, or in behalf of a

1 party, within the preceding two years: *Provided*, That the
2 definitions of “agency”, “agency proceeding”, and “party”
3 in section 2 of the Administrative Procedure Act shall apply
4 to these terms as used herein.

5 No part of appropriations herein shall be used to pay
6 the compensation of officers and employees of the Civil
7 Service Commission who allocate or reallocate supervisory
8 positions in the classified civil service solely on the size of
9 the group, section, bureau, or other organization unit, or
10 on the number of subordinates supervised. References
11 to size of the group, section, bureau, or other organization
12 unit or the number of subordinates supervised may be given
13 effect only to the extent warranted by the workload of
14 such organization unit and then only in combination with
15 other factors, such as the kind, difficulty, and complexity of
16 work supervised, the degree and scope of responsibility
17 delegated to the supervisor, and the kind, degree, and value
18 of the supervision actually exercised.

19 Investigations of United States citizens for employment
20 by international organizations: For expenses necessary to
21 carry out the provisions of Executive Order No. 10422 of
22 January 9, 1953, as amended, prescribing procedures for
23 making available to the Secretary General of the United
24 Nations, and the executive heads of other international
25 organizations, certain information concerning United States

1 citizens employed, or being considered for employment by
2 such organizations, \$400,000 (12), together with not to exceed
3 \$500,000 of the unobligated balance of funds appropriated
4 for this purpose in the "Supplemental Appropriation Act,
5 1954": *Provided*, That this appropriation shall be available
6 for advances or reimbursements to the applicable ap-
7 propriations or funds of the Civil Service Commission
8 and the Federal Bureau of Investigation for expenses
9 incurred by such agencies under said Executive order:
10 *Provided further*, That members of the International
11 Organizations Employees Loyalty Board may be paid actual
12 transportation expenses, and per diem in lieu of subsistence
13 authorized by the Travel Expense Act of 1949 while travel-
14 ing on official business away from their homes or regular
15 places of business, including periods while en route to and
16 from and at the place where their services are to be per-
17 formed: *Provided further*, That nothing in sections 281 or
18 283 of title 18, United States Code, or in section 190 of
19 the Revised Statutes (5 U. S. C. 99) shall be deemed to
20 apply to any person because of appointment for part-time
21 or intermittent service as a member of the International
22 Organizations Employees Loyalty Board in the Civil Service
23 Commission as established by Executive Order 10422,
24 dated January 9, 1953, as amended.

1 Annuities, Panama Canal construction employees and
 2 Lighthouse Service widows: For payment of annuities
 3 authorized by the Act of May 29, 1944, as amended (48
 4 U. S. C. 1373a), and the Act of August 19, 1950 (64 Stat.
 5 465), \$2,354,000.

6 Payment to the civil-service retirement and disability
 7 fund for increases in annuities provided by the Act of July
 8 16, 1952: For payment to the "civil-service retirement and
 9 disability fund" for the cost, as heretofore determined by the
 10 Civil Service Commission, of increases in annuities provided
 11 by the Act of July 16, 1952 (66 Stat. 723), for the fiscal
 12 year 1955, \$29,623,000.

13 FEDERAL COMMUNICATIONS COMMISSION

14 Salaries and expenses: For necessary expenses in per-
 15 forming the duties of the Commission as authorized by law,
 16 including newspapers (not to exceed \$175), land and
 17 structures (not to exceed ~~(13)\$4,000~~ \$48,000), special
 18 counsel fees, improvement and care of grounds and repairs to
 19 buildings (not to exceed ~~(14)\$16,000~~ \$37,500), services
 20 as authorized by section 15 of the Act of August 2, 1946
 21 (5 U. S. C. 55a), purchase of not to exceed nine passenger
 22 motor vehicles, for replacement only, in the event ade-
 23 quate vehicles cannot be obtained by transfer from other
 24 departments or agencies, and not to exceed \$90,000 for

1 expenses of travel, ~~(15)~~\$6,544,400 \$7,294,400, together
 2 with not to exceed \$150,000 of the unobligated balance of
 3 funds appropriated for this purpose in the "First Independ-
 4 ent Offices Appropriation Act, 1954".

5 FEDERAL POWER COMMISSION.

6 Salaries and expenses: For expenses necessary for the
 7 work of the Commission, as authorized by law, including
 8 not to exceed \$220,000 for expenses of travel; purchase
 9 (one for replacement only) and hire of passenger motor
 10 vehicles; and not to exceed \$500 for newspapers; \$4,150,-
 11 000, of which not to exceed \$10,000 shall be avail-
 12 able for special counsel and services as authorized by section
 13 15 of the Act of August 2, 1946 (5 U. S. C. 55a), but at
 14 rates not exceeding \$50 per diem for individuals.

15 FEDERAL TRADE COMMISSION

16 Salaries and expenses: For necessary expenses of the
 17 Federal Trade Commission, including not to exceed \$500 for
 18 newspapers, services as authorized by section 15 of the Act of
 19 August 2, 1946 (5 U. S. C. 55a), ~~(16)~~and not to exceed
 20 ~~\$140,000~~ for expenses of travel, ~~(17)~~ \$4,030,700 \$4,100,-
 21 000: *Provided*, That no part of the foregoing appropriation
 22 shall be expended upon any investigation hereafter provided
 23 by concurrent resolution of the Congress until funds are ap-
 24 propriated subsequently to the enactment of such resolution

1 to finance the cost of such investigation: *Provided further*,
2 That no part of the foregoing appropriation shall be available
3 for a statistical analysis of the consumer's dollar.

4 GENERAL ACCOUNTING OFFICE

5 Salaries and expenses: For necessary expenses of the
6 General Accounting Office, including newspapers and peri-
7 odicals (not exceeding \$500), and services as authorized
8 by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a),
9 \$31,981,000: *Provided*, That the fourth paragraph under
10 the heading "General Accounting Office" in Public Law 137,
11 approved August 31, 1951 (65 Stat. 274), as amended by
12 Public Law 455, approved July 5, 1952 (66 Stat. 399), is
13 further amended by changing "four positions in grade GS-18"
14 to "five positions in grade GS-18", and "thirteen positions in
15 grade GS-16" to "twelve positions in grade GS-16".

16 GENERAL SERVICES ADMINISTRATION

17 Operating expenses, Public Buildings Service: For
18 necessary expenses of real property management and related
19 activities as provided by law; repair and improvement of
20 public buildings and grounds (including furnishings and
21 equipment) under the control of the General Services Admin-
22 istration; rental of buildings in the District of Columbia;
23 restoration of leased premises; moving Government agencies
24 in connection with the assignment, allocation, and transfer of
25 building space; demolition of buildings; acquisition by pur-

1 chase or otherwise and disposal by sale or otherwise of real
2 estate and interests therein; and not to exceed \$182,000
3 for expenses of travel; ~~(18)\$94,460,000~~ \$96,460,000: *Pro-*
4 *vided*, That the foregoing appropriation shall not be available
5 to effect the moving of Government agencies from the Dis-
6 trict of Columbia into buildings acquired to accomplish the
7 dispersal of departmental functions of the executive estab-
8 lishment into areas outside of but accessible to the District
9 of Columbia.

10 Emergency operating expenses: For necessary emer-
11 gency expenses of the General Services Administration
12 not otherwise provided for, for operation, maintenance,
13 protection, repair, alterations, and improvements of public
14 buildings and grounds (including furnishings and equip-
15 ment) to the extent that such buildings and grounds are
16 under the control of the General Services Administration
17 for such purposes as are provided for in Public Law 152,
18 Eighty-first Congress, as amended; rental of buildings or
19 parts thereof in the District of Columbia and elsewhere,
20 including repairs, alterations, and improvements necessary
21 for proper use by the Government, without regard to section
22 322 of the Act of June 30, 1932, as amended (40 U. S. C.
23 278a) ; restoration of leased premises; moving Government
24 agencies in connection with the assignment, allocation, and
25 transfer of building space; and not to exceed \$24,300 for

1 expenses of travel; \$15,647,000: *Provided*, That of this
2 amount, such sums as may be determined by the General
3 Services Administrator to be necessary may be paid into
4 other appropriations of the General Services Administration
5 only for purposes of accounting: *Provided further*, That no
6 part of this appropriation shall be available to effect the
7 moving of Government agencies from the District of Columbia
8 to accomplish the dispersal of departmental functions.

9 Repair, improvement, and equipment of federally owned
10 buildings outside the District of Columbia: For expenses
11 necessary for the repair, alteration, preservation, renovation,
12 improvement, equipment, and demolition of federally owned
13 buildings outside the District of Columbia, not otherwise pro-
14 vided for, including grounds, approaches and appurtenances,
15 wharves and piers, together with the necessary dredging
16 adjacent thereto; acquisition of land as authorized by title
17 III of the Act of June 16, 1949 (40 U. S. C. 297) ;
18 not to exceed \$100,000 for expenses of travel; and care and
19 safeguarding of sites acquired for Federal buildings; \$12,-
20 000,000, to remain available until expended.

21 **(19)***Buildings management fund: For additional working*
22 *capital for the "Buildings management fund", authorized*
23 *by the Act approved July 12, 1952 (66 Stat. 594),*
24 *\$2,000,000, to remain available without fiscal year limitation.*

25 Operating expenses, Federal Supply Service: For neces-

1 sary expenses of personal property management and related
 2 activities as provided by law; including not to exceed \$300
 3 for the purchase of newspapers and periodicals; and not to
 4 exceed \$40,600 for expenses of travel; \$2,600,000.

5 Expenses, general supply fund: For expenses necessary
 6 for operation of the general supply fund (except those au-
 7 thorized by law to be charged to said fund), including con-
 8 tractual services incident to receiving, handling, and shipping
 9 warehouse items; not to exceed \$250 for purchase of news-
 10 papers and periodicals; and not to exceed \$93,100 for
 11 expenses of travel; ~~(20)\$11,066,800~~ \$13,066,800: *Pro-*
 12 *vided*, That during the current fiscal year the general supply
 13 fund shall be available for the purchase of not to exceed twelve
 14 passenger motor vehicles for replacement only ~~(21)~~ *and for*
 15 *the acquisition of thirteen such vehicles from excesses reported*
 16 *by other agencies, or from forfeitures: Provided further,*
 17 That funds available to the General Services Administration
 18 for the current fiscal year shall be available for the hire of
 19 passenger motor vehicles.

20 Operating expenses, National Archives and Records
 21 Service: For necessary expenses in connection with Federal
 22 records management and related activities as provided by
 23 law; and not to exceed \$30,750 for expenses of travel;
 24 \$5,000,000, of which \$100,000 shall remain available until
 25 expended for nitrate film conversion.

1 Administrative operations: For necessary expenses of
2 executive direction for activities under the control of the
3 General Services Administration, of administrative opera-
4 tions for activities under regular appropriations for "Oper-
5 ating expenses", and of processing and determining rene-
6 gotiation rebates; including not to exceed \$63,600 for
7 expenses of travel; and not to exceed \$250 for purchase
8 of newspapers and periodicals; \$3,789,500.

9 Refunds under Renegotiation Act: For refunds under
10 section 201 (f) of the Renegotiation Act of 1951, the
11 unobligated balance of the appropriations granted under
12 this head for the fiscal years 1952, 1953, and 1954, shall re-
13 main available until June 30, 1956: *Provided*, That to the
14 extent refunds are made from this appropriation of excessive
15 profits collected under the Renegotiation Act and retained by
16 the Reconstruction Finance Corporation, or its successors, or
17 any of its subsidiaries, the Reconstruction Finance Corpora-
18 tion, or its successors, or the appropriate subsidiary shall re-
19 imburse this appropriation.

20 Strategic and critical materials: Funds available for this
21 purpose during the current fiscal year shall be available for
22 personal services (not to exceed \$7,000,000), services as
23 authorized by section 15 of the Act of August 2, 1946
24 (5 U. S. C. 55a), and not to exceed \$139,000 of such funds
25 shall be available for expenses of travel: *Provided*, That any

1 funds received as proceeds from sale or other disposition of
2 materials on account of the rotation of stocks under said Act
3 shall be deposited to the credit, and be available for expendi-
4 ture for the purposes, of this appropriation: *Provided further*,
5 That during the current fiscal year, there shall be no limita-
6 tion on the value of surplus strategic and critical materials
7 which, in accordance with subsection 6 (a) of the Act of
8 July 23, 1946 (50 U. S. C. 98e (a)), may be transferred to
9 stockpiles established in accordance with said Act: *Provided*
10 *further*, That no part of funds available shall be used for
11 construction of warehouses or tank storage facilities.

12 Strategic and critical materials (liquidation of contract
13 authorization) : For liquidation of obligations incurred pur-
14 suant to authority heretofore granted under this head, to
15 enter into contracts for the purpose of the Strategic and
16 Critical Materials Stock Piling Act of July 23, 1946, not
17 to exceed \$27,600,000 may be expended from funds pre-
18 viously appropriated under the title "Strategic and critical
19 materials": *Provided*, That this amount may be disbursed
20 through the appropriation "Strategic and critical materials"
21 but shall be accounted for separately therein.

22 Hospital facilities in the District of Columbia (liquida-
23 tion of contract authorization) : For payment of obligations
24 incurred pursuant to authority provided under the head

1 “Hospital Center, District of Columbia”, in the Independent
2 Offices Appropriation Act, 1949, to enter into contracts for
3 construction, \$4,500,000, to remain available until expended:
4 *Provided*, That this amount may be disbursed through the
5 appropriation “Hospital facilities in the District of Columbia”,
6 but shall be accounted for separately therein.

7 The appropriate foregoing appropriation to the General
8 Services Administration shall be credited with (1) advances
9 or reimbursements for salaries and administrative expenses
10 chargeable against other appropriations of the General Serv-
11 ices Administration, and such salaries and expenses may be
12 paid from such foregoing appropriation; (2) cost of mainte-
13 nance, upkeep, and repair included as part of rentals received
14 from Government corporations pursuant to law (40 U. S. C.
15 129) ; (3) reimbursements for services performed in respect
16 to bonds and other obligations under the jurisdiction of the
17 General Services Administration, issued by public authorities,
18 States, or other public bodies, and such services in respect to
19 such bonds or obligations as the Administrator deems neces-
20 sary and in the public interest may, upon the request and at
21 the expense of the issuing agencies, be provided from the
22 appropriate foregoing appropriation; and (4) appropriations
23 or funds available to other agencies, and transferred to the
24 General Services Administration, in connection with property
25 transferred to the General Services Administration pursuant

1 to the Act of July 2, 1948 (50 U. S. C. 451ff), and such
2 appropriations or funds may, with the approval of the Bureau
3 of the Budget, be so transferred.

4 During the current fiscal year, no part of any money
5 appropriated in this or any other Act shall be used during
6 any quarter of such fiscal year to purchase within the con-
7 tinental limits of the United States typewriting machines
8 (except bookkeeping and billing machines) at a price which
9 exceeds 90 per centum of the lowest net cash price, plus
10 applicable Federal excise taxes, accorded the most-favored
11 customer (other than the Government, the American
12 National Red Cross, and the purchasers of typewriting ma-
13 chines for educational purposes only) of the manufacturer
14 of such machines during the six-month period immediately
15 preceding such quarter: *Provided*, That the purchase, uti-
16 lization, and disposal of typewriting machines shall be per-
17 formed in accordance with the provisions of the Federal
18 Property and Administrative Services Act of 1949, as
19 amended.

20 HOUSING AND HOME FINANCE AGENCY

21 OFFICE OF THE ADMINISTRATOR

22 Salaries and expenses: For necessary expenses of the
23 Office of the Administrator, including rent in the District of
24 Columbia; services as authorized by section 15 of the Act
25 of August 2, 1946 (5 U. S. C. 55a); not to exceed

1 \$169,325 for expenses of travel; expenses of attendance at
2 meetings of organizations concerned with the work of the
3 agency; ~~(22)~~*the salary of a special counsel which shall be*
4 *the same as the basic rate of compensation established for*
5 *the heads of the constituent agencies of the Housing and*
6 *Home Finance Agency; and transportation expenses and not*
7 *to exceed \$25 per diem in lieu of subsistence, as authorized by*
8 *section 5 of the Act of August 2, 1946 (5 U. S. C. 73b-2),*
9 *for persons serving without compensation as members of any*
10 *advisory committee established pursuant to title VI of the*
11 *Housing Act of 1949; ~~(23)~~\$2,668,500 \$2,918,500 ~~(24)~~, in-*
12 *cluding \$150,000 for additional costs of establishing and oper-*
13 *ating a central staff for investigation and compliance functions*
14 *for the Housing and Home Finance Agency: Provided, That*
15 *necessary expenses of inspections and of providing representa-*
16 *tives at the site of projects being undertaken by local public*
17 *agencies pursuant to title I of the Housing Act of 1949 and*
18 *of projects financed through loans to educational institutions*
19 *authorized by title IV of the Housing Act of 1950, shall*
20 *be compensated by such agencies or institutions by the pay-*
21 *ment of fixed fees which in the aggregate will cover the costs*
22 *of rendering such services, and expenses for such purpose*
23 *shall be considered nonadministrative; and for the purpose*
24 *of providing such inspections, the Administrator may utilize*
25 *any agency and such agency may accept reimbursement or*

1 payment for such services from such institutions or the Ad-
2 ministrator, and shall credit such amounts to the appropria-
3 tions or funds against which such charges have been made,
4 but such nonadministrative expenses shall not exceed
5 \$500,000.

6 Capital grants for slum clearance and urban redevelop-
7 ment: For an additional amount for payment of capital grants
8 as authorized by title I of the Housing Act of 1949, as
9 amended (42 U. S. C. 1453, 1456), \$39,000,000, to remain
10 available until expended: *Provided*, ~~(25)~~That no funds in
11 this Act shall be available for payment of capital grants under
12 any contract involving the development or redevelopment of a
13 project for predominantly residential uses where incidental
14 uses are not restricted to those normally essential for resi-
15 dential uses: *Provided further*, That before approving
16 any local slum clearance program under title I of the
17 Housing Act of 1949, the Administrator shall give considera-
18 tion to the efforts of the locality to enforce local codes and
19 regulations relating to adequate standards of health, sanita-
20 tion, and safety for dwellings and to the feasibility of achiev-
21 ing slum clearance objectives through rehabilitation of
22 existing dwellings and areas: *Provided further*, That the
23 authority under title I of the National Housing Act shall be
24 used to the utmost in connection with slum rehabilitation
25 needs.

1 PUBLIC HOUSING ADMINISTRATION

2 Administrative expenses: For administrative expenses
3 of the Public Housing Administration, \$6,950,000, to be
4 merged with and expended under the authorization for such
5 expenses contained in title II of this Act.

6 Annual contributions: For the payment of annual con-
7 tributions to public housing agencies in accordance with
8 section 10 of the United States Housing Act of 1937, as
9 amended (42 U. S. C. 1410), \$63,950,000.

10 REDUCTION IN APPROPRIATIONS

11 Defense housing: The sum of \$4,500,000 of funds
12 heretofore appropriated under this head is hereby rescinded,
13 and such amount shall be covered into the Treasury promptly
14 upon enactment of this Act: *Provided*, That the amount
15 hereby rescinded may be reduced by an amount determined
16 by the Administrator to be required as a reserve for over-
17 runs and contingencies in connection with projects hereto-
18 fore assigned for construction pursuant to Public Law 139
19 (Eighty-second Congress).

20 INDIAN CLAIMS COMMISSION

21 Salaries and expenses: For expenses necessary to carry
22 out the purposes of Act of August 13, 1946 (25 U. S. C.
23 70), creating an Indian Claims Commission, \$117,000, of
24 which not to exceed \$3,560 shall be available for expenses
25 of travel.

1 INTERSTATE COMMERCE COMMISSION

2 General expenses: For necessary expenses of the Inter-
3 state Commerce Commission not otherwise provided for, in-
4 cluding not to exceed \$5,000 for employment of special
5 counsel; services as authorized by section 15 of the Act
6 of August 2, 1946 (5 U. S. C. 55a), at rates not to ex-
7 ceed \$50 per diem for individuals; newspapers (not to ex-
8 ceed \$200) ; purchase of not to exceed twenty passenger
9 motor vehicles for replacement only; and not to exceed
10 \$260,000 for expenses of travel; \$9,816,000, of which
11 \$100,000 shall be available for valuations of pipelines and
12 \$1,100,000 shall be available for the Section of Complaints,
13 Bureau of Motor Carriers: *Provided*, That Joint Board mem-
14 bers and cooperating State commissioners may use Govern-
15 ment transportation requests when traveling in connection
16 with their duties as such.

17 Defense transport activities: For expenses necessary to
18 enable the Commissioner ~~(26)~~ who is responsible for the su-
19 pervision of the Bureau of Service to carry out functions dele-
20 gated to him under the Defense Production Act of 1950, as
21 ~~amended~~ of the Interstate Commerce Commission who has
22 been delegated functions under the Defense Production Act
23 of 1950, as amended, to carry out such functions, including
24 expenses of attendance at meetings concerned with the
25 purposes of this appropriation, \$170,000.

1 (27) Railroad safety and locomotive inspection: For expenses
 2 necessary in the performance of functions relating to railroad
 3 inspection and safety, including not to exceed \$290,000 for
 4 expenses of travel, \$1,684,000.

5 *Railroad safety: For expenses necessary in performing*
 6 *functions authorized by law (45 U. S. C. 1-15, 17-21,*
 7 *35-46, 61-64; 49 U. S. C. 26) to insure a maximum of*
 8 *safety in the operation of railroads, including authority to*
 9 *investigate, test experimentally, and report on the use and*
 10 *need of any appliances or systems intended to promote the*
 11 *safety of railway operation, including those pertaining to*
 12 *block-signal and train-control systems, as authorized by the*
 13 *joint resolution approved June 30, 1906, and the Sundry*
 14 *Civil Act of May 27, 1908 (45 U. S. C. 35-37), and to*
 15 *require carriers by railroad subject to the Act to install auto-*
 16 *matic train-stop or train-control devices as prescribed by the*
 17 *Commission (49 U. S. C. 26), including the employment*
 18 *of inspectors and engineers, and including not to exceed*
 19 *\$163,050 for expenses of travel, \$974,500.*

20 *Locomotive inspection: For expenses necessary in the*
 21 *enforcement of the Act of February 17, 1911, entitled "An*
 22 *Act to promote the safety of employees and travelers upon*
 23 *railroads by compelling common carriers engaged in inter-*
 24 *state commerce to equip their locomotives with safe and*
 25 *suitable boilers and appurtenances thereto", as amended (45*

1 *U. S. C. 22-34), including not to exceed \$112,620 for ex-*
2 *penses of travel, \$709,500.*

3 INTERSTATE COMMISSION ON THE POTOMAC
4 RIVER BASIN

5 Contribution to Interstate Commission on the Potomac
6 River Basin: To enable the Secretary of the Treasury to
7 pay in advance to the Interstate Commission on the Po-
8 tomac River Basin the Federal contribution toward the ex-
9 penses of the Commission during the current fiscal year in
10 the administration of its business in the conservancy district
11 established pursuant to the Act of July 11, 1940 (54 Stat.
12 748), \$5,000.

13 NATIONAL ADVISORY COMMITTEE FOR
14 AERONAUTICS

15 Salaries and expenses: For necessary expenses of the
16 Committee, including one Director at not to exceed \$17,500
17 per annum so long as the position is held by the present
18 incumbent; contracts for the making of special investigations
19 and reports and for engineering, drafting and computing
20 services; equipment; not to exceed \$310,000 for expenses
21 of travel; maintenance and operation of aircraft; purchase
22 of two passenger motor vehicles for replacement only; not
23 to exceed \$100 for newspapers and periodicals; and services
24 as authorized by section 15 of the Act of August 2, 1946

1 (5 U. S. C. 55a) ; ~~(28)\$49,000,000~~ \$52,107,750, together
 2 with not to exceed \$1,000,000 of the unobligated balance
 3 of funds appropriated for this purpose in the "First Inde-
 4 pendent Offices Appropriation Act, 1954".

5 Construction and equipment: For construction and
 6 equipment at laboratories and research stations of the Com-
 7 mittee, ~~(29)\$4,349,000~~ \$4,620,000, to remain available
 8 until expended.

9 NATIONAL CAPITAL HOUSING AUTHORITY

10 Maintenance and operation of properties: For the main-
 11 tenance and operation of properties under title I of the Dis-
 12 trict of Columbia Alley Dwelling Authority Act, \$43,000:
 13 *Provided*, That all receipts derived from sales, leases, or
 14 other sources shall be covered into the Treasury of the United
 15 States monthly: *Provided further*, That so long as funds are
 16 available from appropriations for the foregoing purposes, the
 17 provisions of section 507 of the Housing Act of 1950 (Public
 18 Law 475, Eighty-first Congress), shall not be effective.

19 NATIONAL CAPITAL PLANNING COMMISSION

20 Salaries and expenses: For necessary expenses, as
 21 authorized by the National Capital Planning Act of 1952
 22 (66 Stat. 781), including services as authorized by section
 23 15 of the Act of August 2, 1946 (5 U. S. C. 55a) ; not to
 24 exceed \$100 for the purchase of newspapers and periodicals;

1 not to exceed \$6,000 for expenses of travel; payment in
2 advance for membership in societies whose publications
3 or services are available to members only or to members
4 at a price lower than to the general public; purchase
5 of one passenger motor vehicle for replacement only; and
6 transportation and not to exceed \$15 per diem in lieu of
7 subsistence, as authorized by section 5 of the Act of August
8 2, 1946 (5 U. S. C. 73b-2), for members of the Commis-
9 sion serving without compensation; \$143,000.

10 Land acquisition, National Capital park, parkway, and
11 playground system: Under authority of the Act of May 29,
12 1930 (46 Stat. 482), as amended, for necessary expenses for
13 the National Capital Planning Commission for acquisition of
14 land for the park, parkway, and playground system of the Na-
15 tional Capital, to remain available until expended, \$545,000,
16 of which (a) \$135,000 shall be available for the purposes of
17 section 1 (a) of said Act of May 29, 1930, (b) \$126,000 shall be
18 available for the purposes of section 1 (b) thereof, and (c)
19 \$284,000 shall be available for the purposes of section 4
20 thereof: *Provided*, That not exceeding \$26,450 of the funds
21 available for land acquisition purposes shall be used during
22 the current fiscal year for necessary expenses of the Com-
23 mission (other than payments for land) in connection with
24 land acquisition.

1 NATIONAL SCIENCE FOUNDATION

2 Salaries and expenses: For expenses necessary to carry
 3 out the purposes of the National Science Foundation Act
 4 of 1950, as amended (42 U. S. C. 1861-1875), including
 5 award of graduate fellowships; services as authorized by
 6 section 15 of the Act of August 2, 1946 (5 U. S. C. 55a),
 7 at rates not to exceed \$50 per diem for individuals; hire
 8 of passenger motor vehicles; not to exceed ~~(30)\$89,500~~
 9 \$116,000 for expenses of travel; not to exceed \$150 for the
 10 purchase of newspapers and periodicals; and reimbursement
 11 of the General Services Administration for security guard
 12 services; ~~(31)\$11,000,000~~ \$14,000,000, to remain available
 13 until expended.

14 RENEGOTIATION BOARD

15 Salaries and expenses: For necessary expenses of the
 16 Renegotiation Board, including expenses of attendance at
 17 meetings concerned with the purposes of this appropriation;
 18 hire of passenger motor vehicles; not to exceed \$108,-
 19 000 for expenses of travel; and services as authorized
 20 by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a),
 21 at rates not to exceed \$50 per diem for individuals;
 22 \$4,500,000.

23 SECURITIES AND EXCHANGE COMMISSION

24 Salaries and expenses: For necessary expenses, includ-
 25 ing not to exceed \$500 for the purchase of newspapers; not

1 to exceed \$125,000 for expenses of travel; and services as
2 authorized by section 15 of the Act of August 2, 1946
3 (5 U. S. C. 55a) ; ~~(32)\$4,700,000~~ \$4,775,000.

4 SELECTIVE SERVICE SYSTEM

5 Salaries and expenses: For expenses necessary for the
6 operation and maintenance of the Selective Service System,
7 as authorized by title I of the Universal Military Training
8 and Service Act (62 Stat. 604), as amended, including
9 services as authorized by section 15 of the Act of August 2,
10 1946 (5 U. S. C. 55a) ; not to exceed \$250 for the purchase
11 of newspapers and periodicals; not to exceed \$75,000 for ex-
12 penses of travel, National Administration, Planning, Training,
13 and Records Management; not to exceed \$190,000 for ex-
14 penses of travel, State Administration, Planning, Training,
15 and Records Servicing; \$92,500 for the National Selective
16 Service Appeal Board, of which not to exceed \$3,875 shall
17 be available for expenses of travel; and \$205,000 for the
18 National Advisory Committee on the Selection of Doctors,
19 Dentists, and Allied Specialists, of which not to exceed
20 \$30,000 shall be available for expenses of travel; \$29,-
21 003,063: *Provided*, That during the current fiscal year, the
22 President may exempt this appropriation from the provisions
23 of subsection (c) of section 3679 of the Revised Statutes,
24 as amended, whenever he deems such action to be necessary
25 in the interest of national defense.

1 Appropriations for the Selective Service System may
 2 be used for the destruction of records accumulated under the
 3 Selective Training and Service Act of 1940, as amended,
 4 which are hereby authorized to be destroyed by the Director
 5 of Selective Service after compliance with the procedures
 6 for the destruction of records prescribed pursuant to the Rec-
 7 ords Disposal Act of 1943, as amended (44 U. S. C. 366-
 8 380) : *Provided*, That no records may be transferred to any
 9 other agency without the approval of the Director of Selec-
 10 tive Service.

11 SMALL BUSINESS ADMINISTRATION

12 Salaries and expenses: For necessary expenses, not
 13 otherwise provided for, of the Small Business Administration,
 14 including newspapers and periodicals (not exceeding \$500),
 15 expenses of attendance at meetings concerned with the pur-
 16 poses of this appropriation and hire of passenger motor
 17 vehicles, ~~(33)\$2,025,000~~ \$2,575,000, together with not to
 18 exceed \$100,000 of the unobligated balance of funds appro-
 19 priated for this purpose in the Supplemental Appropriation
 20 Act, 1954; and in addition, not to exceed ~~(34)\$1,650,000~~
 21 \$2,500,000, may be transferred to this appropriation from
 22 the Revolving Fund, Small Business Administration, for
 23 administrative expenses in connection with activities financed
 24 under said Fund.

1 **(35)** *REVOLVING FUND, SMALL BUSINESS ADMINISTRATION*

2 *For additional capital for the Revolving Fund author-*
3 *ized by the Small Business Act of 1953, to be available*
4 *without fiscal year limitation, \$25,000,000.*

5 **REVOLVING FUND, SMALL DEFENSE PLANTS**

6 **ADMINISTRATION**

7 The Revolving Fund authorized by paragraph (2) of
8 subsection (a) of section 714 of the Defense Production
9 Act of 1950, as amended, shall remain available during the
10 fiscal year 1955 for payment of obligations and direct costs
11 under contracts entered into during the fiscal year 1953.

12 **SMITHSONIAN INSTITUTION**

13 Salaries and expenses, Smithsonian Institution: For all
14 necessary expenses for the preservation, exhibition, and
15 increase of collections from the surveying and exploring
16 expeditions of the Government and from other sources; for
17 the system of international exchanges between the United
18 States and foreign countries; for anthropological researches
19 among the American Indians and the natives of lands under
20 the jurisdiction or protection of the United States, independ-
21 ently or in cooperation with State, educational, and scientific
22 organizations in the United States, and the excavation and
23 preservation of archeological remains; for maintenance of
24 the Astrophysical Observatory and making necessary obser-

1 vations in high altitudes; for the administration of the
2 National Collection of Fine Arts; for the administration,
3 construction, and maintenance of laboratory and other
4 facilities on Barro Colorado Island, Canal Zone, under the
5 provisions of the Act of July 2, 1940, as amended by the
6 provisions of Reorganization Plan Numbered 3 of 1946; for
7 the maintenance and administration of a national air museum
8 as authorized by the Act of August 12, 1946 (20 U. S. C.
9 77) ; including not to exceed \$35,000 for services as author-
10 ized by section 15 of the Act of August 2, 1946 (5 U. S. C.
11 55a) ; not to exceed \$15,225 for expenses of travel; pur-
12 chase, repair, and cleaning of uniforms for guards and
13 elevator conductors; repairs and alterations of buildings
14 and approaches; and preparation of manuscripts, drawings,
15 and illustrations for publications; \$3,000,000.

16 Salaries and expenses, National Gallery of Art: For
17 the upkeep and operation of the National Gallery of Art,
18 the protection and care of the works of art therein, and
19 administrative expenses incident thereto, as authorized by
20 the Act of March 24, 1937 (50 Stat. 51) , as amended by
21 the public resolution of April 13, 1939 (Public Resolution
22 9, Seventy-sixth Congress), including services as author-
23 ized by section 15 of the Act of August 2, 1946 (5 U. S. C.
24 55a) ; payment in advance when authorized by the treas-
25 urer of the Gallery for membership in library, museum, and

1 art associations or societies whose publications or services
 2 are available to members only, or to members at a price
 3 lower than to the general public; purchase, repair, and
 4 cleaning of uniforms for guards and elevator operators;
 5 purchase or rental of devices and services for protecting
 6 buildings and contents thereof, and maintenance and repair
 7 of buildings, approaches, and grounds; purchase of one pas-
 8 senger motor vehicle, for replacement only; not to exceed
 9 \$1,800 for expenses of travel; and not to exceed \$15,000
 10 for restoration and repair of works of art for the National
 11 Gallery of Art by contracts made, without advertising, with
 12 individuals, firms, or organizations at such rates or prices
 13 and under such terms and conditions as the Gallery may
 14 deem proper; \$1,300,000.

15 SUBVERSIVE ACTIVITIES CONTROL BOARD

16 Salaries and expenses: For necessary expenses of the
 17 Subversive Activities Control Board, including services as
 18 authorized by section 15 of the Act of August 2, 1946 (5
 19 U. S. C. 55a), not to exceed \$12,500 for expenses of travel,
 20 and not to exceed \$100 for the purchase of newspapers and
 21 periodicals, ~~(36)\$150,000~~ \$185,000, together with not to
 22 exceed ~~(37)\$81,000~~ \$115,000 of the unobligated balance of
 23 funds appropriated for this purpose in the "First Independent
 24 Offices Appropriation Act, 1954" ~~(38)~~ and "*The Supple-*
 25 *mental Appropriation Act, 1954*".

1 TARIFF COMMISSION

Salaries and expenses: For necessary expenses of the
Tariff Commission, including subscriptions to newspapers
(not to exceed \$200), not to exceed \$13,500 for expenses
of travel, and contract stenographic reporting services as
authorized by section 15 of the Act of August 2, 1946 (5
U. S. C. 55a), ~~(39)\$1,250,000~~ \$1,327,000: *Provided*, That
no part of this appropriation shall be used to pay the salary
of any member of the Tariff Commission who shall here-
after participate in any proceedings under sections 336,
337, and 338 of the Tariff Act of 1930, wherein he or any
member of his family has any special, direct, and pecuniary
interest, or in which he has acted as attorney or special rep-
resentative~~(40)~~: *Provided further*, That no part of the fore-
going appropriation shall be used for making any special
study, investigation or report at the request of any other
agency of the executive branch of the government unless
reimbursement is made for the cost thereof.

19 TENNESSEE VALLEY AUTHORITY

For the purpose of carrying out the provisions of the Tennessee Valley Authority Act of 1933, as amended (16 U. S. C., ch. 12A), including purchase (not to exceed one) and hire, maintenance, and operation of aircraft, and purchase (not to exceed ~~(41)~~*one hundred two hundred and eleven* for replacement only) and hire of passen-

1 ger motor vehicles, ~~(42)\$103,582,000~~ \$129,582,000, to re-
 2 main available until expended, and to be available for
 3 the payment of obligations chargeable against prior appro-
 4 priations: *Provided*, That no funds appropriated for the
 5 Tennessee Valley Authority by this paragraph shall be used
 6 for the maintenance or operation of any aircraft for passenger
 7 service that is not specifically confined to the active opera-
 8 tion of the official business of the Tennessee Valley Authority
 9 by officers or employees of such Authority, and not to exceed
 10 \$673,000 (exclusive of travel for work in connection with
 11 the construction of transmission lines, dams, and steam
 12 plants) of funds available to the Tennessee Valley Au-
 13 thority shall be used for expenses of travel: *Provided*
 14 *further*, That no part of funds available for expenditure by
 15 this agency shall be used, directly or indirectly, to acquire
 16 a building for use as an administrative office of the Tennessee
 17 Valley Authority unless and until the Director of the Bu-
 18 reau of the Budget, following a study of the advisability of
 19 the proposed acquisition, shall advise the Committees on
 20 Appropriations of the Senate and the House of Representa-
 21 tives and the Tennessee Valley Authority that the acquisition
 22 has his approval: *Provided further*, That there shall be avail-
 23 able for resource development activities pursuant to the
 24 Tennessee Valley Authority Act of 1933, as amended, not
 25 to exceed ~~(43)\$600,000~~ to be \$1,200,000, of which \$600,-

1 000 shall be derived from this appropriation and \$600,000
 2 shall be derived from proceeds of operations of the Tennessee
 3 Valley Authority.

4 THE TAX COURT OF THE UNITED STATES

5 Salaries and expenses: For necessary expenses, includ-
 6 ing contract stenographic reporting services and not to
 7 exceed \$45,000 for travel expenses, \$1,000,000: *Provided*,
 8 That travel expenses of the judges shall be paid upon the
 9 written certificate of the judge.

10 VETERANS ADMINISTRATION

11 General operating expenses: For necessary operating
 12 expenses of the Veterans Administration, not otherwise pro-
 13 vided for, including expenses incidental to securing employ-
 14 ment for war veterans; purchase of fifteen passenger motor
 15 vehicles for replacement only; not to exceed \$6,000 for
 16 newspapers and periodicals; not to exceed ~~(44)\$2,690,000~~
 17 \$3,144,000 for expenses of travel of employees; and not
 18 to exceed \$43,700 for preparation, shipment, installation,
 19 and display of exhibits, photographic displays, moving pic-
 20 tures, and other visual educational information and descrip-
 21 tive material, including purchase or rental of equipment;
 22 ~~(45)\$163,922,300~~ \$171,922,300: *Provided*, That no part
 23 of this appropriation shall be used to pay in excess of
 24 ~~(46)fifteen~~ twenty-six persons engaged in public relations
 25 work: *Provided further*, That no part of any appropriation

1 shall be used to pay educational institutions for reports and
2 certifications of attendance at such institutions an allowance
3 at a rate in excess of \$1 per month for each eligible veteran
4 enrolled in and attending such institution.

5 Medical administration and miscellaneous operating
6 expenses: For expenses necessary for administration of the
7 medical, hospital, domiciliary, special service, construction
8 and supply, research, and employee education and training
9 activities; expenses necessary for carrying out programs of
10 medical research and of education and training of employees,
11 as authorized by law; and not to exceed \$834,388 for ex-
12 penses of travel of employees paid from this appropriation;
13 \$14,654,000.

14 Inpatient care: For expenses necessary for the main-
15 tenance and operation of hospitals and domiciliary facilities
16 and for the care and treatment of beneficiaries of the Veterans
17 Administration in facilities not under the jurisdiction of the
18 Veterans Administration as authorized by law, including
19 the furnishing of recreational articles and facilities; main-
20 tenance and operation of farms; repairing, altering, improv-
21 ing or providing facilities in the several hospitals and homes
22 under the jurisdiction of the Veterans Administration, not
23 otherwise provided for, either by contract, or by the hire
24 of temporary employees and purchase of materials; purchase
25 of (47)~~fifty~~ *seventy* passenger motor vehicles for replacement

1 only; not to exceed \$315,000 for expenses of travel of em-
2 ployees; and aid to State or Territorial homes in conformity
3 with the Act approved August 27, 1888, as amended (24
4 U. S. C. 134) for the support of veterans eligible for admis-
5 sion to Veterans Administration facilities for hospital or domi-
6 ciliary care; \$598,127,000, including the sum of \$7,134,500
7 for reimbursable services performed for other Government
8 agencies and individuals: *Provided*, That allotments and trans-
9 fers may be made from this appropriation to the Department
10 of Health, Education, and Welfare (Public Health Service),
11 the Army, Navy, Air Force, and Interior Departments, for
12 disbursement by them under the various headings of their
13 applicable appropriations, of such amounts as are necessary
14 for the care and treatment of beneficiaries of the Veterans
15 Administration: *Provided further*, That the foregoing appro-
16 priation is predicated on furnishing inpatient care and treat-
17 ment to an average of 127,000 beneficiaries during the fiscal
18 year 1955, excluding members in State or Territorial homes,
19 and if a lesser number is experienced such appropriation
20 shall be expended only in proportion to the average number
21 of beneficiaries furnished such care and treatment.

22 Outpatient care: For expenses necessary for furnishing
23 outpatient care to beneficiaries of the Veterans Administra-
24 tion, as authorized by law, including not to exceed \$178,000
25 for expenses of travel of employees; (48)\$76,744,000

1 \$86,744,000(49), of which not exceeding \$15,810,000
2 shall be available for outpatient fee basis dental care: Pro-
3 vided, That no part of this appropriation shall be available
4 for outpatient dental services and treatment, or related dental
5 appliances with respect to a service-connected dental disabil-
6 ity which is not compensable in degree unless such condition
7 or disability is shown to have been in existence at time of
8 discharge and application for treatment is made within one
9 year after discharge or by March 31, 1955, whichever is
10 later: Provided further, That this limitation shall not apply
11 to adjunct outpatient dental services or appliances for any
12 dental condition associated with and held to be aggravating
13 disability from such other service-incurred or service-aggra-
14 vated injury or disease.

15 Maintenance and operation of supply depots: For ex-
16 penses necessary for maintenance and operation of supply
17 depots, including not to exceed \$4,400 for expenses of travel
18 of employees, and purchase of two passenger motor vehicles
19 for replacement only, \$1,654,000.

20 Compensation and pensions: For the payment of com-
21 pensation, pensions, gratuities, and allowances (including
22 burial awards authorized by Veterans Administration Regu-
23 lation Numbered 9 (a), as amended, and subsistence allow-
24 ances authorized by part VII of Veterans Regulation 1a, as
25 amended), authorized under any Act of Congress, or regu-

1 lation of the President based thereon, including emergency
2 officers' retirement pay and annuities, the administration
3 of which is now or may hereafter be placed in the Veterans
4 Administration, and for the payment of adjusted-service
5 credits as provided in sections 401 and 601 of the Act of May
6 19, 1924, as amended (38 U. S. C. 631 and 661),
7 \$2,435,000,000, to be immediately available and to remain
8 available until expended.

9 Readjustment benefits: For the payment of benefits to
10 or on behalf of veterans as authorized by titles II, III, and
11 V, of the Servicemen's Readjustment Act of 1944, as
12 amended, and title II of the Veterans Readjustment Assist-
13 ance Act of 1952, and for supplies, equipment, and tuition
14 authorized by part VII and payments authorized by part IX
15 of Veterans Administration Regulation Numbered 1 (a), as
16 amended, \$387,000,000, together with the unexpended
17 balance as of June 30, 1954, remaining in the appropriation
18 for "Veterans miscellaneous benefits" to be immediately
19 available and to remain available until expended: *Provided,*
20 That no part of any appropriation to the Veterans Administra-
21 tion shall be available, in connection with any loan authorized
22 by title III of the Servicemen's Readjustment Act of 1944, as
23 amended (38 U. S. C. 694-694n), for payment to the
24 lender by the Administrator of Veterans Affairs, or for
25 credit on the loan, of an amount equivalent to 4 per centum

1 of the amount originally loaned, guaranteed or insured by
2 the Veterans Administration: *Provided further*, That no
3 right to any such payment shall accrue after Septem-
4 ber 1, 1953, but the foregoing proviso shall not
5 apply with respect to payments based on guarantees
6 made, or certificates of commitments issued, prior to said
7 date or commitments for loans made by the Veterans
8 Administration.

9 Military and naval insurance: For military and naval
10 insurance, \$4,932,000, to remain available until expended.

11 Hospital and domiciliary facilities: For hospital and
12 domiciliary facilities, for planning and for extending, with
13 the approval of the President, any of the facilities under the
14 jurisdiction of the Veterans Administration or for any of the
15 purposes set forth in sections 1 and 2 of the Act approved
16 March 4, 1931 (38 U. S. C. 438j-k) or in section 101 of the
17 Servicemen's Readjustment Act of 1944 (38 U. S. C. 693a),
18 to remain available until expended, ~~(50)\$39,000,000~~
19 ~~\$47,000,000~~: *Provided*, That notwithstanding any other pro-
20 visions of existing law the Veterans Administration is author-
21 ized to advance not to exceed \$2,000,000 from construction
22 funds previously appropriated, to the city of Cleveland, Ohio,
23 for the construction or extension of necessary water facilities
24 to the site of the proposed Veterans Administration hospital,
25 this amount to be repaid by the city of Cleveland in cash or

1 water over a period of years as determined by the Veterans
2 Administration and the city of Cleveland.

3 National service life insurance: For the payment of
4 benefits and for transfer to the national service life insurance
5 fund, in accordance with the National Service Life Insurance
6 Act of 1940, as amended, \$30,570,000, to remain available
7 until expended: *Provided*, That certain premiums shall be
8 credited to this appropriation as provided by the Act.

9 Servicemen's indemnities: For payment of liabilities
10 under the Servicemen's Indemnity Act of 1951, \$30,000,000,
11 to remain available until expended.

12 Grants to the Republic of the Philippines: For pay-
13 ment to the Republic of the Philippines of grants in accord-
14 ance with the Act of July 1, 1948 (50 U. S. C. App. 1991-
15 1996), for expenses incident to medical care and treatment
16 of veterans, \$1,564,000.

17 Major alterations, improvements, and repairs: For all
18 necessary expenses of major alterations, improvements, and
19 repairs to regional offices, supply depots, and hospital and
20 domiciliary facilities, ~~(51)\$3,400,000~~ \$3,480,000, to remain
21 available until expended: *Provided*, That no part of the fore-
22 going appropriation shall be used to commence any major
23 alteration, improvement, or repair unless funds are available
24 for the completion of such work; and no funds shall be used

1 for such work at any facility if the Veterans Administration
2 is reasonably certain that the installation will be abandoned
3 in the near future.

4 Not to exceed 5 per centum of any appropriation for the
5 current fiscal year for "Compensation and pensions", "Re-
6 adjustment benefits", "Military and naval insurance",
7 "National service life insurance", and "Servicemen's
8 indemnities", may be transferred, to any other of the men-
9 tioned appropriations, but not to exceed 10 per centum of
10 the appropriation so augmented.

11 Appropriations available to the Veterans Administration
12 for the current fiscal year for salaries and expenses shall be
13 available for services as authorized by section 15 of the Act
14 of August 2, 1946 (5 U. S. C. 55a).

15 Appropriations available to the Veterans Administra-
16 tion for the current fiscal year for "Inpatient care"
17 and "Outpatient care" shall be available for funeral,
18 burial, and other expenses incidental thereto (except
19 burial awards authorized by Veterans Administration Regu-
20 lation Numbered 9 (a), as amended), for beneficiaries
21 of the Veterans Administration receiving care under
22 such appropriations.

23 No part of the appropriations in this Act for the Veterans
24 Administration (except the appropriation for "Hospital and

1 domiciliary facilities") shall be available for the purchase of
2 any site for or toward the construction of any new hospital
3 or home.

4 No part of the foregoing appropriations shall be avail-
5 able for hospitalization or examination of any persons except
6 beneficiaries entitled under the laws bestowing such benefits
7 to veterans, unless reimbursement of cost is made to the
8 appropriation at such rates as may be fixed by the Adminis-
9 trator of Veterans Affairs.

10 REDUCTIONS IN APPROPRIATIONS

11 The appropriation heretofore granted for "Soldiers'
12 and sailors' civil relief" is hereby reduced by the sum of
13 \$500,000, and said amount shall be carried to the surplus
14 of the Treasury.

15 The appropriations heretofore granted for "Vocational
16 rehabilitation revolving fund (Act of Mar. 24, 1943)", are
17 hereby reduced by the sum of \$400,000, and said amount
18 shall be carried to the surplus of the Treasury.

19 WAR CLAIMS COMMISSION

20 PAYMENT OF CLAIMS

21 For payment of claims, as authorized by the War Claims
22 Act of 1948, as amended, from funds deposited in the
23 Treasury to the credit of the war claims fund created by
24 section 13 (a) of said Act, such sums as may be necessary,
25 to be available to the Secretary of the Treasury for payment

1 of claims under sections 4 (a), 4 (b) (2), 5 (a) through
2 (e), 6, and 7 of said Act to the payees named and in the
3 amounts stated in certifications by the War Claims Com-
4 mission and the Secretary of Labor or their duly authorized
5 representatives, which certifications shall be in lieu of any
6 vouchers which might otherwise be required: *Provided*,
7 That this appropriation shall not be available for admin-
8 istrative expenses: *Provided further*, That no claims shall be
9 allowed or paid under the provisions of said War Claims
10 Act of 1948 from any funds other than those covered into
11 the Treasury pursuant to the provisions of section 39 of the
12 Trading With the Enemy Act of October 6, 1917, as
13 amended, as provided by section 13 (a) of said War Claims
14 Act of 1948.

15 ADMINISTRATIVE EXPENSES

16 For expenses necessary to complete the activities of
17 the War Claims Commission, including services as authorized
18 by section 15 of the Act of August 2, 1946 (5 U. S. C.
19 55a) ; expenses of attendance at meetings concerned with
20 the purposes of this appropriation; not to exceed \$4,000 for
21 expenses of travel; and advances or reimbursements to other
22 Government agencies for use of their facilities and services
23 in carrying out the functions of the Commission; \$515,000,
24 to be derived only from the war claims fund created by
25 section 13 (a) of the War Claims Act of 1948 (Public

1 Law 896, approved July 3, 1948) and not to be available
2 for obligation after March 31, 1955.

3 INDEPENDENT OFFICES—GENERAL PROVISIONS

4 SEC. 102. Where appropriations in this title are expend-
5 able for travel expenses of employees and no specific limita-
6 tion has been placed thereon, the expenditures for such
7 travel expenses may not exceed the amount set forth therefor
8 in the budget estimates submitted for the appropriations:
9 *Provided*, That this section shall not apply to travel per-
10 formed by uncompensated officials of local boards and appeal
11 boards of the Selective Service System.

12 SEC. 103. Where appropriations in this title are ex-
13 pendable for the purchase of newspapers and periodicals and
14 no specific limitation has been placed thereon, the expendi-
15 tures therefor under each such appropriation may not exceed
16 the amount of \$50: *Provided*, That this limitation shall not
17 apply to the purchase of scientific, technical, trade, or traffic
18 periodicals necessary in connection with the performance of
19 the authorized functions of the agencies for which funds are
20 herein provided.

21 SEC. 104. No part of any appropriation contained in
22 this title shall be available to pay the salary of any person
23 filling a position, other than a temporary position, formerly
24 held by an employee who has left to enter the Armed Forces
25 of the United States and has satisfactorily completed his

1 period of active military or naval service and has within
2 ninety days after his release from such service or from hos-
3 pitalization continuing after discharge for a period of not more
4 than one year made application for restoration to his former
5 position and has been certified by the Civil Service Commis-
6 sion as still qualified to perform the duties of his former
7 position and has not been restored thereto.

8 SEC. 105. Appropriations contained in this title, avail-
9 able for expenses of travel shall be available, when specifi-
10 cally authorized by the head of the activity or establishment
11 concerned, for expenses of attendance at meetings of organi-
12 zations concerned with the function or activity for which the
13 appropriation concerned is made.

14 SEC. 106. No part of any appropriations made available
15 by the provisions of this title shall be used for the purchase
16 or sale of real estate or for the purpose of establishing new
17 offices outside the District of Columbia: *Provided*, That
18 this limitation shall not apply to programs which have been
19 approved by the Congress and appropriations made therefor.

20 SEC. 107. No part of any appropriation contained in
21 this title shall be used to pay the compensation of any em-
22 ployee engaged in personnel work in excess of the number
23 that would be provided by a ratio of one such employee to
24 one hundred and thirty-five, or a part thereof, full-time,
25 part-time, and intermittent employees of the agency con-

1 cerned: *Provided*, That for purposes of this section employees
2 shall be considered as engaged in personnel work if they
3 spend half time or more in personnel administration con-
4 sisting of direction and administration of the personnel
5 program; employment, placement, and separation; job
6 evaluation and classification; employce relations and services;
7 training; wage administration; and processing, recording,
8 and reporting.

9 SEC. 108. None of the sections under the head "Inde-
10 pendent Offices, General Provisions" in this title shall apply
11 to the Housing and Home Finance Agency or the Tennessee
12 Valley Authority.

13 TITLE II—CORPORATIONS

14 The following corporations and agencies, respectively,
15 are hereby authorized to make such expenditures, within the
16 limits of funds and borrowing authority available to each such
17 corporation or agency and in accord with law, and to make
18 such contracts and commitments without regard to fiscal year
19 limitations as provided by section 104 of the Government
20 Corporation Control Act, as amended, as may be necessary
21 in carrying out the programs set forth in the Budget for the
22 fiscal year 1955 for each such corporation or agency, except
23 as hereinafter provided:

1 HOUSING AND HOME FINANCE AGENCY

2 Federal National Mortgage Association: Not to exceed
3 \$3,238,000 shall be available for administrative ex-
4 penses, which shall be on an accrual basis, and shall
5 be exclusive of interest paid, depreciation, properly capital-
6 ized expenditures, fees for servicing mortgages, expenses
7 (including services performed on a force account, contract,
8 or fee basis, but not including other personal services) in
9 connection with the acquisition, protection, operation, main-
10 tenance, improvement, or disposition of real or personal
11 property belonging to said Association or in which it has an
12 interest, cost of salaries, wages, travel, and other expenses
13 of persons employed outside of the continental United States,
14 expenses of services performed on a contract or fee basis in
15 connection with the performance of legal services, and all
16 administrative expenses reimbursable from other Government
17 agencies; and said Association may utilize and may make
18 payment for services and facilities of the Federal Reserve
19 banks and other agencies of the Government: *Provided*, That
20 the distribution of administrative expenses to the accounts
21 of the Association shall be made in accordance with generally
22 recognized accounting principles and practices: *Provided*
23 *further*, That not to exceed \$87,750 shall be available for

1 expenses of travel: *Provided further*, That administrative
2 expenses not under limitation for the purposes set forth in
3 the budget schedules for the fiscal year 1955 shall not exceed
4 \$150,000.

5 Office of the Administrator, housing loans to educational
6 institutions: Not to exceed \$375,000 shall be available for all
7 administrative expenses, which shall be on an accrual basis, of
8 carrying out the functions of the Office of the Administrator
9 under the program of housing loans to educational institutions
10 (title IV of the Housing Act of 1950, 12 U. S. C. 1749-
11 1749d), but this amount shall be exclusive of payment for
12 services and facilities of the Federal Reserve banks or
13 any member thereof, the Federal home-loan banks,
14 and any insured bank within the meaning of the Act creating
15 the Federal Deposit Insurance Corporation (Act of August
16 23, 1935, as amended, 12 U. S. C. 264) which has been
17 designated by the Secretary of the Treasury as a depository
18 of public money of the United States: *Provided*, That not
19 to exceed \$19,000 shall be available for expenses of travel.

20 Office of the Administrator, revolving fund (liquidating
21 programs) : There is established as of June 30, 1954, a re-
22 volving fund, and the Administrator is authorized to credit
23 said fund with all moneys hereafter obtained or now held by
24 him or by any constituent agency of the Housing and Home
25 Finance Agency or any other official thereof, and to account

1 under said fund for all assets and liabilities, in connection with
2 (1) community facilities provided or assisted under title
3 II of the Lanham Act, as amended (42 U. S. C. 1531–
4 1534), or under title III of the Defense Housing and Com-
5 munity Facilities and Services Act of 1951, as amended (42
6 U. S. C. 1592–1592n); (2) loans or advances made pur-
7 suant to title V of the War Mobilization and Reconversion
8 Act of 1944 (58 Stat. 791), or the Act of October 13, 1949
9 (40 U. S. C. 451–458); (3) functions transferred under
10 Reorganization Plan No. 23 of 1950 (5 U. S. C. 133z–15,
11 note), or authorized under sections 102, 102a, 102b, and
12 102c of the Housing Act of 1948, as amended (12 U. S. C.
13 1701g–1701g–3); (4) notes or other obligations purchased
14 pursuant to the Alaska Housing Act, as amended (48
15 U. S. C. 484 (a)); (5) subsistence homesteads and green-
16 towns (Acts of June 29, 1936, 49 Stat. 2035, and May
17 19, 1949, 63 Stat. 68); (6) public war housing under title
18 I of the Lanham Act, as amended (42 U. S. C. 1521–
19 1524), and defense housing under title III of the Defense
20 Housing and Community Facilities and Services Act of 1951,
21 as amended (42 U. S. C. 1592–1592n); and (7) veterans’
22 re-use housing under title V of the Lanham Act, as amended
23 (42 U. S. C. 1571–1575) : *Provided*, That said fund shall be
24 available for all necessary expenses (including administrative
25 expenses) in connection with the liquidation of the programs

1 carried out pursuant to the foregoing provisions of law, in-
2 cluding operation, maintenance, improvement, or disposition
3 of facilities, and for disbursements pursuant to outstanding
4 commitments against moneys herein authorized to be
5 credited to said fund, repayment of obligations to the Treas-
6 ury, and refinancing and refunding operations on existing
7 loans: *Provided further*, That any amount in said fund
8 which is determined to be in excess of requirements for
9 the purposes hereof shall be declared and paid as liquidating
10 dividends to the Treasury not less often than annually:
11 *Provided further*, That during the current fiscal year not
12 to exceed \$3,940,000 shall be available for administrative
13 expenses (including not to exceed \$265,000 for travel)
14 for the foregoing purposes, but this amount shall be ex-
15 clusive of ~~(52)~~*costs of services performed on a contract or fee*
16 *basis in connection with termination of contracts and legal*
17 *services on a contract or fee basis and of payment for services*
18 and facilities of the Federal Reserve banks or any member
19 thereof, ~~(53)~~*any services approved by the Federal National*
20 *Mortgage Association*, the Federal home-loan banks, and any
21 insured bank within the meaning of the Act of August
22 23, 1935, as amended, creating the Federal Deposit In-
23 surance Corporation (12 U. S. C. 264) which has
24 been designated by the Secretary of the Treasury as a
25 depository of public money of the United States: *Pro-*

1 *vided further*, That after the effective date of this Act
 2 no additional notes or obligations shall be purchased from
 3 funds appropriated pursuant to the Alaska Housing Act,
 4 as amended (48 U. S. C. 484 (d)), except for the fur-
 5 therance or refinancing of an existing loan: *Provided further*,
 6 That except for extensions, or refinancing, of existing
 7 obligations the authority to issue obligations to the Secre-
 8 tary of the Treasury under section 1 (4) of Reorganization
 9 Plan No. 23 of 1950 (5 U. S. C. 1332-15, note), shall
 10 terminate on June 30, 1954: *Provided further*, That all
 11 expenses, not otherwise specifically limited in this Act,
 12 in connection with the programs administered pursuant to
 13 the foregoing provisions of law shall not exceed ~~(54)~~\$20,-
 14 ~~000,000~~ \$26,230,000.

15 Home Loan Bank Board: Not to exceed a total of
 16 \$775,000 shall be available for administrative ex-
 17 penses of the Home Loan Bank Board, and shall be de-
 18 rived from funds available to the Home Loan Bank Board,
 19 including those in the Home Loan Bank Board revolving
 20 fund and receipts of the Federal Home Loan Bank Admin-
 21 istration. the Federal Home Loan Bank Board, or the Home
 22 Loan Bank Board for the current fiscal year and prior fiscal
 23 years, and the Board may utilize and may make payment
 24 for services and facilities of the Federal home-loan banks, the
 25 Federal Reserve banks, the Federal Savings and Loan In-

1 surance Corporation, and other agencies of the Government:
2 *Provided*, That all necessary expenses in connection with the
3 conservatorship of institutions insured by the Federal Savings
4 and Loan Insurance Corporation and all necessary expenses
5 (including services performed on a contract or fee basis, but
6 not including other personal services) in connection with the
7 handling, including the purchase, sale, and exchange, of
8 securities on behalf of Federal home-loan banks, and the sale,
9 issuance, and retirement of, or payment of interest on, deben-
10 tures or bonds, under the Federal Home Loan Bank Act, as
11 amended, shall be considered as nonadministrative expenses
12 for the purposes hereof: *Provided further*, That not to ex-
13 ceed \$35,000 shall be available for expenses of travel:
14 *Provided further*, That notwithstanding any other provisions
15 of this Act, except for the limitation in amount hereinbefore
16 specified, the administrative expenses and other obligations
17 of the Board shall be incurred, allowed, and paid in accord-
18 ance with the provisions of the Federal Home Loan Bank
19 Act of July 22, 1932, as amended (12 U. S. C. 1421-
20 1449): *Provided further*, That the nonadministrative ex-
21 penses for the examination of Federal and State chartered
22 institutions shall not exceed \$2,395,000.

23 Federal Savings and Loan Insurance Corporation: Not
24 to exceed \$455,000 shall be available for administrative
25 expenses, which shall be on an accrual basis and shall be

1 exclusive of interest paid, depreciation, properly capitalized
2 expenditures, expenses in connection with liquidation of
3 insured institutions, liquidation or handling of assets of or
4 derived from insured institutions, payment of insurance, and
5 action for or toward the avoidance, termination, or mini-
6 mizing of losses in the case of insured institutions, legal fees
7 and expenses, and payments for administrative expenses of
8 the Home Loan Bank Board determined by said Board to be
9 properly allocable to said Corporation, and said Corporation
10 may utilize and may make payment for services and facilities
11 of the Federal home-loan banks, the Federal Reserve banks,
12 the Home Loan Bank Board, and other agencies of the
13 Government: *Provided*, That not to exceed \$6,500 shall
14 be available for expenses of travel: *Provided further*,
15 That notwithstanding any other provisions of this Act,
16 except for the limitation in amount hereinbefore specified,
17 the administrative expenses and other obligations of said
18 Corporation shall be incurred, allowed and paid in accord-
19 ance with title IV of the Act of June 27, 1934, as amended
20 (12 U. S. C. 1724-1730).

21 Federal Housing Administration: In addition to the
22 amounts available by or pursuant to law (which shall be
23 transferred to this authorization) for the administrative ex-
24 penses in carrying out duties imposed by or pursuant to law,
25 not to exceed ~~(55)\$5,000,000~~ \$5,175,000 of the various

1 funds of the Federal Housing Administration shall be avail-
 2 able for expenditure, in accordance with the National Housing
 3 Act, as amended (12 U. S. C. 1701) : *Provided*, That, except
 4 as herein otherwise provided, all expenses and obligations of
 5 said Administration shall be incurred, allowed, and paid in
 6 accordance with the provisions of said Act: *Provided further*,
 7 That not to exceed \$175,000 shall be available for expenses
 8 of travel: *Provided further*, That funds available for
 9 expenditure shall be available for contract actuarial services
 10 (not to exceed \$1,500); and purchase of periodicals and
 11 newspapers (not to exceed \$500) ~~(56):~~ *Provided further*,
 12 That expenditures for nonadministrative expenses classified by
 13 section 2 of Public Law 387, approved October 25, 1949,
 14 shall not exceed \$24,000,000.

15 Public Housing Administration: Of the amounts avail-
 16 able by ~~(57) or pursuant to law~~ for the administrative expenses
 17 of the Public Housing Administration in carrying out duties
 18 imposed by ~~(58) or pursuant to law~~ including funds appropri-
 19 ated by title I of this Act not to exceed \$6,950,000, shall be
 20 available for such expenses, including not to exceed \$500,000
 21 for expenses of travel; and expenses of attendance at meet-
 22 ings of organizations concerned with the work of the
 23 Administration: *Provided*, That necessary expenses of pro-
 24 viding representatives of the Administration at the sites
 25 of non-Federal projects in connection with the con-

1 struction of such non-Federal projects by public housing
 2 agencies with the aid of the Administration, shall be com-
 3 pensated by such agencies by the payment of fixed fees which
 4 in the aggregate in relation to the development costs of such
 5 projects will cover the costs of rendering such services, and
 6 expenditures by the Administration for such purpose shall be
 7 considered nonadministrative expenses, and funds received
 8 from such payments may be used only for the payment of
 9 necessary expenses of providing representatives of the Ad-
 10 ministration at the sites of non-Federal projects: *Provided*
 11 *further*, That all expenses of the Public Housing Administra-
 12 tion not specifically limited in this Act, in carrying out its
 13 duties imposed by (59) ~~or pursuant to~~ law, shall not exceed
 14 \$1,530,000: *Provided further*, That during the fiscal year
 15 1955 the Commissioner shall continue to make every effort
 16 to refund all local bonds held by the Public Housing Admin-
 17 istration under the United States Housing Act of 1937, as
 18 amended.

19 CORPORATIONS—GENERAL PROVISIONS

20 SEC. 202. No part of the funds of, or available for expend-
 21 iture by, any corporation or agency included in this title shall
 22 be used to pay the compensation of any employee engaged
 23 in personnel work in excess of the number that would be
 24 provided by a ratio of one such employee to one hundred and
 25 thirty-five, or a part thereof, full-time, part-time, and inter-

1 mittent employees of the agency concerned: *Provided*, That
2 for purposes of this section employees shall be considered as
3 engaged in personnel work if they spend half-time or more
4 in personnel administration consisting of direction and ad-
5 ministration of the personnel program; employment, place-
6 ment, and separation; job evaluation and classification;
7 employee relations and services; training; committees of
8 expert examiners and boards of civil-service examiners; wage
9 administration; and processing, recording, and reporting.

10 TITLE III—GENERAL PROVISIONS

11 SEC. 301. No part of any appropriation contained in this
12 Act, or of the funds available for expenditure by any corpo-
13 ration included in this Act, shall be used to pay the salary or
14 wages of any person who engages in a strike against the
15 Government of the United States or who is a member of an
16 organization of Government employees that asserts the right
17 to strike against the Government of the United States, or
18 who advocates, or is a member of an organization that
19 advocates, the overthrow of the Government of the United
20 States by force or violence: *Provided*, That for the purposes
21 hereof an affidavit shall be considered prima facie evidence
22 that the person making the affidavit has not contrary to the
23 provisions of this section engaged in a strike against the
24 Government of the United States, is not a member of an

1 organization of Government employees that asserts the right
2 to strike against the Government of the United States, or that
3 such person does not advocate, and is not a member of an
4 organization that advocates, the overthrow of the Govern-
5 ment of the United States by force or violence: *Provided*
6 *further*, That any person who engages in a strike against the
7 Government of the United States or who is a member of an
8 organization of Government employees that asserts the right
9 to strike against the Government of the United States, or who
10 advocates, or who is a member of an organization that advo-
11 cates, the overthrow of the Government of the United States
12 by force or violence and accepts employment the salary or
13 wages for which are paid from any appropriation or fund
14 contained in this Act shall be guilty of a felony and, upon
15 conviction, shall be fined not more than \$1,000 or imprisoned
16 for not more than one year, or both: *Provided further*, That
17 the above penalty clause shall be in addition to, and not in
18 substitution for, any other provisions of existing law.

19 SEC. 302. No part of any appropriation contained in
20 this Act, or of the funds available for expenditure by any
21 corporation or agency included in this Act, shall be used
22 for publicity or propaganda purposes designed to support
23 or defeat legislation pending before the Congress.

1 SEC. 303. This Act may be cited as the "Independent
2 Offices Appropriation Act, 1955."

Passed the House of Representatives March 31, 1954.

Attest: LYLE O. SNADER,
Clerk.

Passed the Senate with amendments May 19 (legislative day, May 13), 1954.

Attest: J. MARK TRICE,
Secretary.

AN ACT

Making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1955, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 19, 1954

Ordered to be printed with the amendments of the
Senate numbered

out of the disaster loan revolving fund, in any area where the Secretary finds need for agricultural credit which could not otherwise be met, until June 30, 1955 (p. 7327). The Senate has passed S. 3245 on the same subject, but the language is somewhat different.

12. TOBACCO QUOTAS. Passed with amendment S. 3050, to increase (from 40% to 50% of the average market price) the penalty for marketing of tobacco in excess of marketing quotas. Agreed to an amendment by Rep. Deane to make the bill effective Dec. 1 instead of Oct. 1. (p. 7331.)
13. LABOR-HEW APPROPRIATION BILL, 1955. The Appropriations Committee reported this bill, H. R. 9447, without amendment on June 4, while the House was in adjournment (p. 7370).
14. INDEPENDENT OFFICES APPROPRIATION BILL, 1955. House conferees were appointed on this bill, H. R. 8583 (p. 7320). Senate conferees have been appointed.
15. PERSONNEL. Received the Post Office and Civil Service Committee's reports on appeals and grievance procedures in the Federal Government (H. Rept. 1759) and the first intermediate report by the Subcommittee on Manpower Utilization (H. Rept. 1760) (p. 7370).
Rep. Moss spoke in favor of a payraise for Federal classified employees "at least equal to the 7 percent raise granted Post Office Department employees in the bill already reported out by the House Post Office and Civil Service Committee" (p. 7343).
16. VETERANS' BENEFITS. Passed without amendment S. 1823, to give to veterans of the Korean conflict the same credit for military service toward meeting the requirements of the homestead laws as is now given to veterans of World War II (pp. 7328-9). This bill will now be sent to the President.
17. FORESTRY. Rep. Ellsworth, and others, discussed H. R. 5958, to settle the jurisdictional question between this Department and the Interior Department over "controverted" Oregon and California timberlands, and at the request of Rep. Miller (Nebr.) it was stricken from the Consent Calendar. Rep. Miller indicated that the bill would be referred to the Rules Committee. (p. 7329).
Passed as reported S. 1399, to authorize sale of certain improvements on national forest land in Arizona to the Salt River Valley Water Users Association (pp. 7330-1).
18. LAND TRANSFER. Passed without amendment H. J. Res. 458, to direct the Secretary of Agriculture to quitclaim retained rights in a tract of land to the Board of Education of Irwin County, Ga. (p. 7331).
19. BANKING AND CURRENCY. Rep. Patman claimed the Federal Reserve Board should be required to support Government bonds at par (pp. 7348-65).
20. ELECTRIFICATION. Passed with amendment S. 3090, to authorize the transmission and disposition by the Secretary of the Interior of electric energy generated at Falcon Dam on the Rio Grande with provision for preference to REA cooperatives and others (pp. 7329-30).
21. EDUCATION. Rep. Brown (Ga.) spoke on the importance of the vocational educational program, and favored appropriation of the full amount authorized by the George-Barden Act for this purpose (pp. 7344-5).

22. HOUSING LOANS. Rep. Fisher objected to a conference on H. R. 7839, which includes a provision continuing the rural-housing loan program (p. 7340).
23. SOCIAL SECURITY. Rep. Reed (N.Y.) inserted a comparative analysis of present law and the changes proposed thereto by H. R. 7199 and H. R. 9366, to amend the Social Security Act and the Internal Revenue Code so as to extend coverage under the old-age and survivors insurance program to other groups, including self-employed farmers and additional farm workers, etc. (pp. 7311-8).

ITEMS IN APPENDIX

24. DAIRY INDUSTRY. Rep. Springer inserted a Department summary of dairy price support purchases and uses in May 1954 (p. A4196).
Rep. Harden inserted a Country Gentleman article discussing the dairy industry problem and stating that "There are two ways to get out of it--produce less or sell more milk" (p. A4198).
25. SOIL CONSERVATION. Sen. Johnson, Tex., inserted an article briefly outlining the work during the last 14 years of the first soil conservation district established in Tex. (pp. A4202-3).
26. FORESTRY. Rep. Ellsworth inserted an American Forests magazine article explaining "why full crop development based upon full crop utilization has become the guide-post in Douglas-fir region forestry" (pp. A4213-5).
27. SOCIAL SECURITY. Speech of Rep. Vursell stating, "I am concerned and doubt the wisdom of the inclusion of self-employed farmers under social security" (p. A4216).
28. ELECTRIFICATION. Sen. Butler, Nebr., inserted his statement commending the progress made by REA under the present administration (pp. A4217-8).

BILLS INTRODUCED

29. ANIMAL FOOD. H.R. 9448, by Rep. Bailey, to amend the act of May 29, 1884, as amended, the act of Feb. 2, 1903, as amended, the act of Mar. 3, 1905, as amended, and the first proviso under the heading "General Expenses, Bureau of Animal Industry" in the act of June 30, 1914, as amended, to include all domestic animals within their provisions; to Agriculture Committee (p. 7370).
30. DAIRY INDUSTRY. H.R. 9450, by Rep. Bow, to provide an adequate, balanced, and orderly flow of milk and dairy products in interstate and foreign commerce, to stabilize prices of milk and dairy products, to impose a stabilization fee on the marketing of milk and butterfat; to Agriculture Committee (p. 7370).
31. FARM LANDS. H.R. 9454, by Rep. Harrison, Wyo., to amend section 4 of the act of Aug. 13, 1953, relating to the exchange of farm units on Federal irrigation projects; to Interior and Insular Affairs Committee (p. 7370).
32. WATER RESOURCES. H.R. 9459, by Rep. Miller, Nebr., to authorize the Sec. of the Interior to investigate and report to the Congress on the conservation, development, and utilization of the water resources of Alaska; to Interior and Insular Affairs Committee (p. 7370).

morrow and 20 minutes on Wednesday, following the legislative business of the day and any special orders heretofore entered.

PUBLIC HOUSING PROGRAM

(Mr. ADDONIZIO asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. ADDONIZIO. Mr. Speaker, the Senate approval of the public housing program, even though on a disappointingly limited basis, is gratifying to those of us who feel that this is one of the most pressing issues before the Nation. It is my earnest hope that the House will accept the Senate public housing provision so that the fight on slums can go forward. The slum situation throughout the country is a disgrace and unworthy of the American people. I ask the opponents of the program to read the following correspondence from a constituent of mine in Newark. She has just moved into a public housing project in Newark after enduring for years the following conditions outlined in her first letter to me in March:

I am the mother of five children and I have to move from where I live. I have been here since 1951. I have looked everywhere for a place. I am living in an awful place. The man will not fix it up and I have to burn the light all night to keep the rats away from my baby. They are eating my clothes too. I would try to fix it myself but I have to get out anyway so I have to find a place to go for my kid's sake. My husband looks every day after work but he can't find a place for us. I need a decent place to bring my children up and this place is too small and very hard to keep warm. So Mrs. Sanders, that's the lady upstairs decided to ask you if there was anything you could do for us as she has to move too and she has 6 children home and 1 in the service. Living like this is awful and no one wants children. It seems it is either that or the rent is so high that you wouldn't be able to survive so I don't know what to do. It keeps me upset all the time and the man keeps saying he is going to put us out and we want to go but we have no place to go.

I referred her to the Public Housing Authority in Newark where the capable staff under Mr. Samuel Warrence, director of relocation, promptly processed her application. She has now written me the following letter which presents the case for the public-housing program in a vivid fashion. I am glad this deserving mother can bring up her children in decent surroundings, and I hope that the countless other families still in her former predicament will have a similar opportunity. In Newark alone there are over 4,000 eligible families on the waiting list. Mrs. Mitchell's second letter read:

I want to thank you for everything you did for me and Mrs. Sanders. We were desperate and at the end of our rope. I never thought that I would be sitting up here where I can smell clean air without going outside. It is so clean and new and nice here. No rats, no leaky tubs, no runny bathroom. I feel like I am still dreaming. Mr. Addonizio, I could never tell you how I feel. After where I used to live and where I live now—it is heaven on earth. Everyone is so nice and friendly, too. I am so grateful to you for making all this possible for us, we, the little people. I only hope we can prove worthy of it. If there is anything we can do for you at any time in any way just let

me know. I know there isn't much we could do. We will scrub floors or something. But that's something I just want you to know—that I am grateful to you from the bottom of my heart. My children even feel the difference. They are so proud of their own room. I don't have to worry so much over them anymore. They stay home and right outside where I can see them. And I can take a bath in the bathroom without rats and freezing to death, too. You will never know, Mr. Addonizio, what it was like nor what it means to me to be here. Please accept my thanks and may God bless you and make more men like you.

GEORGE Y. HARVEY

(Mr. CANNON asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. CANNON. Mr. Speaker, the board of trustees and the faculty of Southeastern University announce that the honorary degree of doctor of laws will be conferred on George Y. Harvey, clerk of the Committee on Appropriations of the House of Representatives, at its graduating exercises on June 9, 1954.

No honor could be more worthily conferred. As clerk of the Committee on Appropriations of the House, Mr. Harvey is one of a comparatively brief list of eminent men who have served in that capacity since the establishment of the committee in 1865, including Robert J. Stevens, 1865; James C. Courts, 1884; Marcellus C. Sheild, 1916; John C. Pugh, 1945; and George Y. Harvey, 1947.

Like his predecessors, Mr. Harvey has served under both Democratic and Republican control of the House in what is probably one of the most responsible and exacting positions on the Hill, if not in the entire Government.

The award of the degree of doctor of laws by the university is an appropriate recognition of the distinguished service he has rendered the Congress and the country.

THEODORE W. CARLSON—VETO MESSAGE (H. DOC. NO. 426)

The SPEAKER laid before the House the following veto message from the President of the United States, which was read by the Clerk:

To the House of Representatives:

I am returning herewith without my approval H. R. 3109, 83d Congress, "An act for the relief of Theodore W. Carlson."

The bill proposes to grant to Theodore W. Carlson all of the rights, benefits, and privileges which are granted to persons who served on active duty with the United States Army during World War II, and who were honorably discharged from such service after having suffered permanent total loss of vision in one eye as a result of such service.

The evidence discloses that Theodore W. Carlson served in the Army of the United States from February 1941 to October 1941, and from February 1942 to November 1945. In February 1947, he filed a claim for service-connected disability compensation with the Veterans' Administration, alleging an eye

condition. In developing that claim, he contended that in February 1945, a foreign body blew into his right eye and had inflamed and infected it; that he was treated at his unit's dispensary and experienced some relief; that in July or August 1945, the eye condition returned, and he lost the sight in that eye for a short period of time; and that when he again visited the dispensary, he was instructed to apply warm applications, which again resulted in some improvement. In this connection, the medical records of the Army do not confirm the alleged treatment for his eye condition, and when discharged, the veteran claimed no injury to his right eye and the physical examination at that time disclosed no pathology of the eye. Mr. Carlson also claimed that after discharge he suffered recurring periods of blindness, and beginning in August 1947, his sight in that eye was limited to light perception only. He submitted affidavits from his private physicians stating that he was treated on several occasions from December 1945 to August 1947 for moderate inflammation of the eye, and that in November 1947, a diagnosis of retinal detachment and tear involving the macular area of the right eye was established. A third physician stated in 1950 that his examination disclosed an old retinal detachment in the right eye and that it was possible that this could have been produced by injury to the eye while Mr. Carlson was in service.

Since 1947 the veteran's claim for service-connected disability compensation has been very carefully considered on numerous occasions by Veterans' Administration rating boards and at least five times by the Board of Veterans' Appeals. After each consideration it was concluded that the eye disability was not shown to have been incurred in or aggravated by his military service.

The question at issue in this case is basically one of medical judgment, and should not be overruled by private legislation. The possibility raised by the last mentioned physician that Mr. Carlson's eye condition of retinal detachment could have been produced by injury to the eye while he was in service has been considered by the Veterans' Administration. However, based on sound and accepted medical principles, they have held that the evidence does not permit a conclusion that the separated retina initially diagnosed in November 1947 was due either to the inflammatory eye disease first treated approximately 2 years earlier or causally related to trauma allegedly caused by a foreign body being blown in Mr. Carlson's eye during service.

I consider it unwise to set aside the principles and rules of administration prescribed in the general laws governing veterans' benefit programs. Uniformity and equality of treatment to all who are similarly situated must be the steadfast rule if the Federal programs for veterans and their dependents are to be operated successfully. Moreover, in my opinion the present case does not warrant preferred treatment. Further, I am informed that this would be the first case in which a World War II veteran

would, in effect, be placed on the compensation rolls by special legislation. Since there are well over a half million veterans of World War II alone whose claims for disability compensation have been denied in accordance with public laws because the disabilities for which compensation is claimed were not incurred in or aggravated by their military service, approval of this bill would constitute a far-reaching precedent, which I cannot justify.

DWIGHT D. EISENHOWER.
THE WHITE HOUSE, June 7, 1954.

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Without objection, the bill and message will be referred to the Committee on the Judiciary.

There was no objection.

MRS. ANN ELIZABETH CAULK— VETO MESSAGE (H. DOC. NO. 427)

The SPEAKER laid before the House the following veto message from the President of the United States, which was read by the Clerk:

To the House of Representatives:

I am returning herewith without my approval H. R. 4532, 83d Congress, "An act for the relief of Mrs. Ann Elizabeth Caulk."

The bill would authorize and direct the Secretary of the Treasury to pay to Mrs. Ann Elizabeth Caulk the sum of \$1,682.80 in full settlement of all her claims against the United States for non-service-connected death pension she would have received if the claim she filed on March 29, 1948, had been considered as having been filed on April 1, 1944.

David H. Caulk, a veteran of honorable service in the Spanish-American War, married the claimant on November 7, 1931, and died of a non-service-connected cause 12 days later. Mrs. Caulk's claim for death pension filed December 31, 1931, was denied for the reason that she had not married the veteran prior to the then applicable marriage delimiting date, September 1, 1922. Effective April 1, 1944, the delimiting date was extended by law to January 1, 1938, rendering Mrs. Caulk potentially eligible for death pension benefits to which she was previously not entitled. However, she did not file a new claim for death pension until March 29, 1948, and under the law, pension benefits were paid prospectively from that date.

It appears that favorable action by the committees which consider H. R. 4532 was based on the theory that the delay in filing claim was due to ignorance of the law on the part of Mrs. Caulk. This reason applied with equal force to many other claimants. Her case certainly arouses one's sympathy, but to prefer it for special treatment to the exclusion of other similar cases would be unwarranted and discriminatory. Further, approval of the bill might serve as a precedent for similar legislation in other cases.

I am opposed to setting aside the principles and rules of administration pre-

scribed in the public laws governing veterans' benefit programs. Uniformity and equality of treatment to all who are similarly situated must be the steadfast rule if the Federal programs for veterans and their dependents are to be operated successfully. Approval of H. R. 4532 would not be in keeping with these principles.

DWIGHT D. EISENHOWER.
THE WHITE HOUSE, June 7, 1954.

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Without objection, the bill and message will be referred to the Committee on the Judiciary.

There was no objection.

OFFICE OF ALIEN PROPERTY, DEPARTMENT OF JUSTICE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with accompanying papers, referred to the Committee on Interstate and Foreign Commerce:

To the Congress of the United States:

I transmit herewith, for the information of the Congress, the annual report of the Office of Alien Property, Department of Justice, for the fiscal year ended June 30, 1953.

DWIGHT D. EISENHOWER.
THE WHITE HOUSE, June 7, 1954.

EXECUTIVE OFFICE AND INDEPENDENT EXECUTIVE BUREAUS, BOARDS, COMMISSIONS, CORPORATIONS, AGENCIES AND OFFICES APPROPRIATION BILL, 1955

Mr. PHILLIPS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8583) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1955, and for other purposes, with the Senate amendments thereto, disagree to the amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from California? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. PHILLIPS, Mr. COTTON, Mr. JONAS of North Carolina, Mr. KRUEGER, Mr. TABER, Mr. THOMAS, Mr. ANDREWS, Mr. YATES, Mr. CANNON.

MENOMINEE TRIBE OF INDIANS

Mr. MILLER of Nebraska submitted the conference report and statement on the bill (H. R. 2828) to amend the act of Congress of September 3, 1935 (49 Stat. 1085), as amended:

CONFERENCE REPORT (H. REPT. NO. 1757)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2828) to amend the act of Congress of Sep-

tember 3, 1935 (49 Stat. 1085), as amended, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill, and agree to the same with an amendment as follows:

In lieu of the matter inserted by the Senate amendment insert the following: "That the purpose of this Act is to provide for orderly termination of Federal supervision over the property and members of the Menominee Indian Tribe of Wisconsin.

"Sec. 2. For the purposes of this Act—

"(a) 'Tribe' means the Menominee Indian Tribe of Wisconsin;

"(b) 'Secretary' means the Secretary of the Interior.

"Sec. 3. At midnight of the date of enactment of this Act the roll of the tribe maintained pursuant to the Act of June 15, 1934 (48 Stat. 965), as amended by the Act of July 14, 1939 (53 Stat. 1003), shall be closed and no child born thereafter shall be eligible for enrollment: *Provided*, That applicants for enrollment in the tribe shall have three months from the date the roll is closed in which to submit applications for enrollment: *Provided further*, That the tribe shall have three months thereafter in which to approve or disapprove any application for enrollment: *Provided further*, That any applicant whose application is not approved by the tribe within six months from the date of enactment of this Act may, within three months thereafter, file with the Secretary an appeal from the failure of the tribe to approve his application or from the disapproval of his application, as the case may be. The decision of the Secretary on such appeal shall be final and conclusive. When the Secretary has made decisions on all appeals, he shall issue and publish in the Federal Register a Proclamation of Final Closure of the roll of the tribe and the final roll of the members. Effective upon the date of such proclamation, the rights or beneficial interests of each person whose name appears on the roll shall constitute personal property and shall be evidenced by a certificate of beneficial interest which shall be issued by the tribe. Such interests shall be distributable in accordance with the laws of the State of Wisconsin. Such interests shall be alienable only in accordance with such regulations as may be adopted by the tribe.

"Sec. 4. Section 6 of the Act of June 15, 1934 (48 Stat. 965, 966) is hereby repealed.

"Sec. 5. The Secretary is authorized and directed, as soon as practicable after the passage of this Act, to pay from such funds as are deposited to the credit of the tribe in the Treasury of the United States \$1,500 to each member of the tribe on the rolls of the tribe on the date of this Act. Any other person whose application for enrollment on the rolls of the tribe is subsequently approved, pursuant to the terms of section 3 hereof, shall, after enrollment, be paid a like sum of \$1,500: *Provided*, That such payments shall be made first from any funds on deposit in the Treasury of the United States to the credit of the Menominee Indian Tribe drawing interest at the rate of 5 per centum, and thereafter from the Menominee judgment fund, symbol 14X7142.

"Sec. 6. The tribe is authorized to select and retain the services of qualified management specialists, including tax consultants, for the purpose of studying industrial programs on the Menominee Reservation and making such reports or recommendations, including appraisals of Menominee tribal property, as may be desired by the tribe, and to make other studies and reports as may be deemed necessary and desirable by the tribe in connection with the termination of Federal supervision as provided for herein-after. Such reports shall be completed not

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued June 16, 1954
For actions of June 15, 1954
83rd-2nd, No. 110

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HIGHLIGHTS: House debated surplus commodities bill. House Rules Committee cleared bills to continue rural housing program, provide for motor vehicle pools, and revise Virgin Islands organic act. House committee reported bill to transfer CCC seeds to Forest Service, etc. House received conference report on independent offices appropriation bill. Senate passed bills to: Transfer USDA grape research station to U. of Calif, authorize 3/8 bu. basket, transfer land tract for extension work in Tex. Senate committee ordered reported bill to extend trade agreements program. Sen. Aiken inserted and discussed new USDA regulations on ASC committees. Sen. Martin introduced and discussed bill to establish national water resources policy. Sen. Wiley introduced self-help dairy bill. Sen. Welker introduced and discussed bill to require potato labeling and inspection.

HOUSE

1. SURPLUS COMMODITIES. Began debate on S. 2475, the proposed "Agricultural Trade Development and Assistance Act of 1954" (pp. 7826-59). (For provisions of this bill see Digest 107.) Agreed to an amendment by Rep. Kelly, N. Y., to clarify the term "friendly nation" (pp. 7853-4). Agreed, 59-26, to an amendment by Rep. Dies to require the President to secure (as well as seek) commitments to prevent undesirable resale or transshipment (pp. 7854-5). Rejected, 37-74, an amendment by Rep. Dies to prohibit sale of agricultural commodities to any nation which exports or sells agricultural commodities to any Communist nation (pp. 7854-7). Agreed to various perfecting amendments by Reps. Judd and Burleson (pp. 7857-9).
2. HOUSING. The Rules Committee reported a resolution to send to conference H. R. 7339, the housing bill which includes a provision extending the farm housing program administered by this Department (p. 7810).
3. VEHICLES; FURNITURE. The Rules Committee reported a resolution for consideration of H. R. 8753, to authorize GSA to establish and operate Government motor pools and systems and to provide office furniture and furnishings when agencies are moved to new locations, to direct GSA to report the unauthorized use of Government motor vehicles, and to authorize the Civil Service Commission to regulate

operators of Government vehicles (p. 7810).

4. VIRGIN ISLANDS. The Rules Committee reported a resolution for consideration of H. R. 5181, to revise the Virgin Islands organic act including a provision regarding importation of diseased animals (p. 7810).
5. CCC SEEDS; FORESTRY. The Banking and Currency Committee reported with amendment S. 2987, to provide for transfer of surplus CCC seeds to the Forest Service and the Bureau of Land Management (H. Rept. 1871)(p. 7863).
6. D. C. APPROPRIATION BILL, 1955. Passed with amendments this bill, H. R. 9517 (pp. 7809-10).
7. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment H. R. 8520, to provide for construction of the Ainsworth, Lavaca Flats, Mirage Flats Extension, and O'Neill irrigation developments as units of the Missouri River Basin project (H. Rept. 1868)(p. 7863).
This Committee also reported without amendment H. R. 8027, to extend the time during which Interior may enter into amendatory repayment contracts under the Federal reclamation laws (H. Rept. 1869)(p. 7863).
House conferees were appointed on H. R. 5731, to authorize facilities for joint use of the Navy and farmers on the Santa Margarita River, Calif. (p. 7810). Senate conferees have not yet been appointed.
The Interior and Insular Affairs Committee voted to report (but did not actually report) H. R. 236, to authorize the Fryingpan-Arkansas project (p. D686).
8. SCS AUDIT. Received from the Acting Comptroller General a report on the audit of SCS for the fiscal years 1951 and 1952; to Government Operations Committee (p. 7863).
9. RESEARCH. Received from this Department a printed copy of the OES report for 1953 (p. 7863).
10. INDEPENDENT OFFICES APPROPRIATION BILL, 1955. Received the conference report on this bill, H. R. 8583 (pp. 7859-61). It is expected that this matter will be considered today (p. D685). The conferees recommended revised amounts for the Council of Economic Advisers, management improvement fund, Advisory Committee on Weather Control, GSA buildings management, National Science Foundation, and Tennessee Valley Authority.

SENATE

11. CONTAINERS. Passed without amendment H. R. 8357, to amend the Standard Container Act so as to provide for a 3/8 bushel basket for fruits and vegetables (pp. 7781-2). This bill will now be sent to the President.
12. LAND TRANSFERS. Passed without amendment H. R. 3097, to donate the USDA Grape Research Station at Oakville Calif., to the Univ. of Calif. (pp. 7790, 7793-6). This bill will now be sent to the President.
Passed without amendment H. J. Res. 300, to convey to the Texas Hill Country Development Foundation of certain surplus land situated in Kerr County, Texas for use of 4-H clubs, etc. (p. 7772). This bill will now be sent to the President.
Passed with amendment (correcting a typographical error) H. J. Res. 458, to direct the Secretary of Agriculture to quitclaim retained rights in a tract of former FHA land to the Board of Education of Irwin County, Ga. (pp. 7771-2).

Amendment offered by Mr. BURLERSON: On page 9, line 20, after the first "For" on line 20, insert the word "financing."

Amendment offered by Mr. JUDD: On page 5, lines 12 and 13, strike out the words "against the displacement of."

Amendment offered by Mr. JUDD: On page 9, line 2, after the word "use", insert the following: "or entered into agreements with friendly nations or organizations of nations to use."

Amendment offered by Mr. JUDD: On page 10, line 5, after the word "appropriate", insert a period and the following: "Goods, services, or foreign currencies may be accepted in payment of such loans."

Amendment offered by Mr. JUDD: On page 12, line 2, after the word "stocks", strike out the remainder of the section and insert the following: "to assist programs undertaken with friendly governments or through voluntary relief agencies including school-lunch programs."

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota [Mr. JUDD]?

Mr. BAILEY. Mr. Chairman, reserving the right to object, I would like to inquire of the gentleman from Minnesota with reference to the amendment he proposes, that we may accept goods in lieu of the currencies of other countries, is it proposed to bring a flood of those goods in under the reciprocal trade agreements?

Mr. JUDD. No; this is the loan provision. The bill gives seven purposes for which the foreign currencies which we receive in exchange for surplus commodities can be used. One of them is for loans to promote multilateral trade and economic development made through established banking facilities of the friendly nation from which the foreign currency is obtained, or in any other manner which the President may deem appropriate. Then the amendment adds that in making these loans we may accept goods, services, or foreign currencies in payment of those loans. If they can repay us in goods or services for those loans, that is better than their not repaying us. As a matter of fact, there are few things that they have which they could export to us that they are not already exporting, with which to pay for commodities now being bought from us in existing trade.

Mr. BAILEY. The gentleman will agree with me that they might be exported in greater quantity.

Mr. JUDD. They would have to come in under the tariff laws and other existing laws of the United States. This does not set aside any of our other laws by which goods are imported.

Mr. BAILEY. There are no quota limitations on the amount they can bring in?

Mr. JUDD. No.

Mr. BAILEY. That is the point exactly. You are just prepared to flood the American market with a lot of extra products we are already importing into this country. That is the question I am raising there, just what it is going to do to our domestic industry and our domestic producers.

Mr. JUDD. I do not say that. I think these countries are not going to buy these surpluses and give up their

foreign currencies for them unless they want the commodities. The foreign currencies we receive can be used for loans as well as for other purposes. Where they are for loans, it seems to me, we would rather have goods, services, and foreign currencies, than nothing in return.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

Mr. JONES of Missouri. I object to the inclusion of that last amendment in those amendments to be considered en bloc.

The CHAIRMAN. Does the gentleman from Minnesota request the withdrawal of that amendment?

Mr. JUDD. Under the circumstances, Mr. Chairman, I ask unanimous consent to withdraw that amendment from the total of six.

Mr. BAILEY. Reserving the right to object, would the gentleman concede the point of striking the word "goods" out of this amendment?

Mr. JUDD. I would rather take that amendment up separately and dispose of all of these other five.

Mr. BAILEY. I am perfectly agreeable to that.

Mr. JUDD. That is what my request was.

The CHAIRMAN. Is there objection to the modified request of the gentleman from Minnesota?

There was no objection.

Mr. JUDD. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. JUDD. That means, Mr. Chairman, that the five amendments have now been adopted?

The CHAIRMAN. Consent has been given to the five amendments being considered en bloc, and they are now up for consideration.

The question is on the five amendments offered by the gentleman from Minnesota [Mr. JUDD] and the gentleman from Texas [Mr. BURLERSON].

The amendments were agreed to.

Mr. HOPE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FORD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 2475) to authorize the President to use agricultural commodities to improve the foreign relations of the United States, and for other purposes, had come to no resolution thereon.

INDEPENDENT OFFICES APPROPRIATIONS BILL

Mr. PHILLIPS. Mr. Speaker, I ask unanimous consent that the conferees on the disagreeing votes of the two Houses on the bill H. R. 8583, the independent offices appropriations bill, have until midnight tonight to file a conference report and statement.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The conference report and statement follow:

CONFERENCE REPORT (H. REPT. NO. 8583)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8583) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies and offices, for the fiscal year ending June 30, 1955, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 13, 14, 15, 30, 33, 40, and 54.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 4, 5, 6, 25, 26, 27, 29, 37, 39, 50, 51, 52, 57, 58, and 59, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$2,161,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$1,098,962,300"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$110,882,400"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows: "and not to exceed \$144,250 for expenses of travel," and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$4,045,000"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$95,960,000"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "\$500,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$12,066,800"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$2,868,500"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$51,000,000"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$12,250,000"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$4,750,000"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$2,350,000"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$170,000"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment, as follows: In lieu of the number proposed by said amendment insert "one hundred and fifty"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$120,000,000"; and the Senate agree to the same.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment insert "\$1,000,000," of which \$400,000 shall be derived from this appropriation and \$600,000 shall be"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$2,800,000"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$167,672,300"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment, as follows: In lieu of the number proposed by said amendment insert "twenty"; and the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment, as follows: In lieu of the number proposed by said amendment insert "sixty"; and the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amend-

ment insert "\$82,134,000"; and the Senate agree to the same.

Amendment numbered 53: That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert "any servicer approved by the Federal National Mortgage Association"; and the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$5,150,000"; and the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows: "Provided further, That expenditures for non-administrative expenses classified by section 2 of Public Law 387, approved October 25, 1949, shall not exceed \$25,000,000."; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 7, 8, 11, 12, 21, 22, 24, 35, 38 and 49.

JOHN PHILLIPS,
NORRIS COTTON,
CHARLES R. JONAS,
JOHN TABER,
ALBERT THOMAS,
GEORGE ANDREWS,
SIDNEY R. YATES,
CLARENCE CANNON,

Managers on the Part of the House.

LEVERETT SALTONSTALL,
STYLES BRIDGES,
HOMER FERGUSON,
GUY CORDON,
BOURKE B. HICKENLOOPER,
BURNET R. MAYBANK,
LISTER HILL,
ALLEN J. ELLENDER,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 8583) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1955, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

EXECUTIVE OFFICE OF THE PRESIDENT

Council of Economic Advisers

Amendment No. 1—Salaries and expenses: Appropriates \$285,000 as proposed by the Senate instead of \$250,000 as proposed by the House. In connection with this item the committee of conference has included \$35,000 for coordinating public works advance planning. It is agreed that such amount is a temporary increase for a special purpose and not a permanent increase in activity, and is to be kept separate from other funds.

National Security Council

Amendment No. 2—Salaries and expenses: Appropriates \$215,000 as proposed by the Senate instead of \$200,000 as proposed by the House.

Office of Defense Mobilization

Amendments Nos. 3 and 4—Salaries and expenses: Appropriate \$2,161,000 instead of \$2,134,000 as proposed by the House and \$2,486,000 as proposed by the Senate, and authorize \$161,000 for the Interdepartmental Radio Advisory Committee as proposed by

the Senate instead of \$134,000 as proposed by the House.

Expenses of management improvement

Amendment No. 5: Appropriates \$300,000 as proposed by the Senate instead of \$250,000 as proposed by the House.

INDEPENDENT OFFICES

Advisory Committee on Weather Control

Amendment No. 6—Salaries and expenses: Inserts language as proposed by the Senate and appropriates \$120,000 for necessary expenses of the Committee.

American Battle Monuments Commission

Amendment No. 7—Construction of memorials and cemeteries: Reported in disagreement.

Atomic Energy Commission

Amendment No. 8—Rental of space in the District of Columbia: Reported in disagreement. In connection with this amendment the managers on the part of the House will propose language to authorize rental of space in or near the District of Columbia only if there is no suitable Government owned buildings available. In the event there is a difference of opinion between the General Services Administration and the Atomic Energy Commission as to the suitability of space the appropriate officials concerned should so advise the Committees on Appropriations of the House and Senate prior to July 15 and obtain the approval of the respective committees before entering into commitments for rental space.

Amendment No. 9—Operating expenses: Appropriates \$1,098,962,300 instead of \$1,093,462,300 as proposed by the House and \$1,102,780,300 as proposed by the Senate. The increase over the House amount includes restoration of \$1,800,000 for physical research instead of \$3,100,000 as proposed by the Senate, \$435,000 for biology and medicine as proposed by the Senate, and \$3,265,000 for increase in stones inventories instead of \$5,783,000 as proposed by the Senate.

Amendment No. 10—Plant and equipment: Appropriates \$110,882,400 instead of \$96,498,400 as proposed by the House and \$130,000,000 as proposed by the Senate. The increase over the House amount includes restoration of \$5,150,000 for new processing plants instead of \$12,000,000 as proposed by the Senate, \$384,000 for housing at Los Alamos as proposed by the Senate, and \$8,850,000 for contingencies and underruns on construction projects instead of \$16,501,600 as proposed by the Senate. The amount for processing plants is provided only in the event private financing is not forthcoming, and such plants are not to be constructed without first obtaining the approval of the Committees on Appropriations of the House and Senate.

Amendment No. 11—Reported in disagreement.

Civil Service Commission

Amendment No. 12—Investigations of United States citizens for employment by international organizations: Reported in disagreement.

Federal Communications Commission

Amendments Nos. 13, 14, and 15—Salaries and expenses: Authorize not to exceed \$4,000 for land and structures as proposed by the House instead of \$48,000 as proposed by the Senate; authorize not to exceed \$16,000 for care of grounds and buildings as proposed by the House instead of \$37,500 as proposed by the Senate; and appropriate \$6,544,400 as proposed by the House instead of \$7,294,400 as proposed by the Senate. The committee of conference has disallowed the request for additional funds for the frequency usage monitoring program. A further review of need for the program should be made and every effort made to achieve the essential parts of the program within existing programs and facilities.

Federal Trade Commission

Amendments Nos. 16 and 17—Salaries and expenses: Restore the language of the House and authorize the use of \$144,250 for expenses of travel instead of \$140,000 as proposed by the House; appropriate \$4,045,000 instead of \$4,030,700 as proposed by the House and \$4,100,000 as proposed by the Senate. The conferees have specifically denied funds for the office of the economic and marketing advisor to the Commission.

General Services Administration

Amendment No. 18—Operating expenses, Public Buildings Service: Appropriates \$95,960,000 instead of \$94,460,000 as proposed by the House and \$96,460,000 as proposed by the Senate. The committee of conference is agreed the increase of \$1,500,000 above the House figure is to be used only for repairs to buildings.

Amendment No. 19—Buildings management fund: Inserts language as proposed by the Senate and provides \$500,000 additional working capital for the fund instead of \$2,000,000 as proposed by the Senate.

Amendment No. 20—Expenses, general supply fund: Appropriates \$12,066,800 instead of \$11,066,800 as proposed by the House and \$13,066,800 as proposed by the Senate.

Amendment No. 21—Acquisition of automobiles: Reported in disagreement.

*Housing and Home Finance Agency**Office of the Administrator*

Amendment No. 22—Salary of special counsel: Reported in disagreement.

Amendment No. 23—Salaries and expenses: Appropriates \$2,868,500 instead of \$2,668,500 as proposed by the House and \$2,918,500 as proposed by the Senate.

Amendment No. 24—Reported in disagreement.

Amendment No. 25—Capital grants for slum clearance and urban redevelopment: Strikes out language proposed by the House as proposed by the Senate. It is the understanding of the conferees that this subject is under consideration by the legislative committees in connection with the Housing Act of 1954.

Interstate Commerce Commission

Amendment No. 26—Defense transport activities: Strikes out language proposed by the House and inserts language proposed by the Senate, which authorizes the Commissioner of the Interstate Commerce Commission who is so designated, to carry out functions delegated to him under the Defense Production Act of 1950.

Amendment No. 27—Railroad safety and locomotive inspection: Strikes out language proposed by the House and inserts language as proposed by the Senate.

National Advisory Committee for Aeronautics

Amendment No. 28—Salaries and expenses: Appropriates \$51,000,000 instead of \$49,000,000 as proposed by the House and \$52,107,750 as proposed by the Senate.

Amendment No. 29—Construction and equipment: Appropriates \$4,620,000 as proposed by the Senate instead of \$4,349,000 as proposed by the House.

National Science Foundation

Amendments Nos. 30 and 31—Salaries and expenses: Restore \$89,500 for expenses of travel as proposed by the House instead of \$116,000 as proposed by the Senate; and appropriate \$12,250,000 instead of \$11,000,000 as proposed by the House and \$14,000,000 as proposed by the Senate. The committee of conference is agreed that of the total amount provided, not to exceed \$771,000 is available for administrative expenses of the Foundation.

Securities and Exchange Commission

Amendment No. 32—Salaries and expenses: Appropriates \$4,750,000 instead of \$4,700,000 as proposed by the House and \$4,775,000 as

proposed by the Senate. The conferees are agreed that the increase above the House amount is to be used exclusively for increasing staff outside of the District of Columbia.

Small Business Administration

Amendments Nos. 33 and 34—Salaries and expenses: Appropriate \$2,025,000 as proposed by the House instead of \$2,575,000 as proposed by the Senate; and authorize the use of \$2,350,000 by transfer from the Revolving Fund instead of \$1,650,000 as proposed by the House and \$2,500,000 as proposed by the Senate. The increase over the amount provided by the House is to be used only in connection with loan activities under participating and direct loan provisions of the Small Business Act.

Amendment No. 35—Revolving fund, Small Business Administration: Reported in disagreement.

Subversive Activities Control Board

Amendments Nos. 36 and 37—Salaries and expenses: Appropriate \$170,000 instead of \$150,000 as proposed by the House and \$185,000 as proposed by the Senate; and make available \$115,000 of the unobligated balances as proposed by the Senate instead of \$81,000 as proposed by the House.

Amendment No. 38: Reported in disagreement.

Tariff Commission

Amendment No. 39—Salaries and expenses: Appropriates \$1,327,000 as proposed by the Senate instead of \$1,250,000 as proposed by the House.

Amendment No. 40: Restores language of the House requiring other agencies of the executive branch of the Government to reimburse the Tariff Commission for the cost of special studies and investigations.

Tennessee Valley Authority

Amendments Nos. 41, 42 and 43: Authorize purchase of one hundred and fifty passenger motor vehicles for replacement only instead of one hundred as proposed by the House and two hundred and eleven as proposed by the Senate; appropriate \$120,000,000 instead of \$103,582,000 as proposed by the House and \$129,582,000 as proposed by the Senate, the increase over the House amount being entirely for a reserve for contingencies; and authorize the use of \$1,000,000 for resource development activities including \$600,000 to be derived from proceeds of operations instead of \$600,000 to be derived from proceeds of operations as proposed by the House and \$1,200,000 including \$600,000 to be derived from proceeds of operations as proposed by the Senate. The committee of conference is agreed that the \$12,000,000 appropriated by the Senate for the construction of transmission facilities shall be financed from the corporate budget, and that the new Chairman of TVA shall give careful consideration to the resource development activities program and to determine if it cannot be financed in the future from other than appropriated funds.

Veterans' Administration

Amendments Nos. 44, 45, and 46—General operating expenses: Authorize \$2,800,000 for expenses of travel instead of \$2,690,000 as proposed by the House and \$3,144,000 as proposed by the Senate; appropriate \$167,672,300 instead of \$163,922,300 as proposed by the House and \$171,922,300 as proposed by the Senate; and authorize not to exceed 20 persons to be engaged in public relations work instead of 15 as proposed by the House and 26 as proposed by the Senate.

Amendment No. 47—Inpatient care: Authorize the purchase of 60 passenger motor vehicles for replacement only instead of 50 as proposed by the House and 70 as proposed by the Senate.

Amendment No. 48—Outpatient care: Appropriate \$82,134,000 instead of \$76,744,000 as proposed by the House and \$86,744,000 as proposed by the Senate.

Amendment No. 49—Reported in disagreement.

Amendment No. 50—Hospital and domiciliary facilities: Appropriates \$47 million as proposed by the Senate instead of \$39 million as proposed by the House.

Amendment No. 51—Major alterations, improvements, and repairs: Appropriates \$3,480,000 as proposed by the Senate instead of \$3,400,000 as proposed by the House.

*TITLE II—CORPORATIONS**Housing and Home Finance Agency*

Amendments Nos. 52, 53, and 54—Office of the Administrator, revolving fund (liquidating programs): Insert language proposed by the Senate excluding from the administrative expense limitation contract and legal services in connection with termination of contracts; insert language proposed by the Senate amended to read "servicer" instead of "services", in connection with servicing of mortgages by local financial institutions on a fee basis; and provide \$20 million for non-administrative expenses as proposed by the House instead of \$26,230,000 as proposed by the Senate.

Amendments Nos. 55 and 56—Federal Housing Administration: Authorize the use of \$5,150,000 of available funds for administrative expenses instead of \$5 million as proposed by the House and \$5,175,000 as proposed by the Senate; and restore the provision of the House amended to provide \$25 million for nonadministrative expenses instead of \$24 million as proposed by the House.

Amendments Nos. 57, 58, and 59—Public Housing Administration: Strike out the words "or pursuant to" as proposed by the Senate.

JOHN PHILLIPS,
NORRIS COTTON,
CHARLES R. JONAS,
JOHN TABER,
ALBERT THOMAS,
GEORGE ANDREWS,
SIDNEY R. YATES,
CLARENCE CANNON,

Managers on the Part of the House.

HOOR OF MEETING TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

AUTHORIZING SALE OF VESSELS TO CITIZENS OF REPUBLIC OF PHILIPPINES

Mr. TOLLEFSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (S. J. Res. 72) to authorize the Secretary of Commerce to sell certain vessels to citizens of the Republic of the Philippines; to provide for the rehabilitation of the interisland commerce of the Philippines, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved, etc., That notwithstanding the provisions of section 14 of the Merchant Ship Sales Act of 1946 (Public Law 321, 79th Cong.), as amended, or any other provision of law, the Secretary of Commerce is hereby authorized and directed to sell to citizens of

the Republic of the Philippines in accordance with the Merchant Ship Sales Act of 1946, any or all of the eight vessels named herein: *Bowline Knot*, *Carrick Bend*, *Masthead Knot*, *Snug Hitch*, *George W. Tucker*, *Northern Wanderer*, *Boatswains Hitch*, *Turks Head*, which at present are in the Philippines: *Provided, however*, That the Secretary of Commerce, after consultation with the National Advisory Council in International Monetary and Financial Problems, shall fix the terms of payment on unpaid balances, which terms shall in no event be more favorable than the terms applicable in the case of sales to citizens of the United States.

In determining the order of preference between applicants for the purchase of such vessels, first preference shall be given to the applicants who are charterers of such vessels under the terms of the aforesaid act of April 30, 1946, as amended, at the time of making application to purchase vessels under the terms of this act; second preference shall be given to applicants who suffered losses of interisland tonnage in the interests of the allied war effort; provided applications for the purchase of said vessels are received by the Secretary of Commerce within 90 days after the date of enactment of this act.

Except with the prior approval of the Secretary of Commerce, any vessel sold under this joint resolution shall, for a period of 10 years from the date of sale of the vessel, be operated only in the interisland commerce of the Philippines.

Delivery of the vessels for the purposes of sale shall be made at a port in the Philippines designated by the Secretary of Commerce.

Notwithstanding any other provision of law, the said vessels shall continue to operate in the Philippines under existing charters until such time as the agreements of sale are executed and deliveries of the vessels thereunder are accomplished.

For the purposes of this act, the term "citizen" includes any individual, corporation, partnership, association, or other form of business entity authorized to do business under the laws of the Republic of the Philippines.

With the following committee amendment:

That, notwithstanding any other provisions of existing law, the Secretary of Commerce is authorized to extend and continue the present charters of vessels to citizens of the Republic of the Philippines, which charters were made and entered into under the terms of section 306 (a) of the act of April 30, 1946 (Public Law 370, 79th Cong.), and which charters were extended by the Secretary of Commerce under the terms of a joint resolution, approved June 30, 1953 (Public Law 87, 83d Cong.). Such charters may be further extended for such periods of time and under such terms and conditions as the Secretary may, from time to time, determine to be required in the interest of the economy of the Philippines, but any such charter shall contain a provision requiring that the vessel shall be operated only in the interisland commerce in the Philippines. No such vessel shall be continued under charter, as authorized herein, beyond the completion of the first voyage terminating after June 30, 1955.

The amendment was agreed to.

The joint resolution was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "Joint resolution to authorize the Secretary of Commerce to further extend certain charters of vessels to citizens of the Philippines, and for other purposes."

A motion to reconsider was laid on the table.

S. 2802

(Mr. McCORMACK asked and was given permission to address the House for 1 minute.)

Mr. McCORMACK. Mr. Speaker, I would like to ask the gentleman from Washington if he can advise us what action he proposes to take with reference to the bill, S. 2802, which is a fisheries bill, in which many of us are interested.

Mr. TOLLEFSON. Mr. Speaker, as soon as I can consult with the leadership of both sides, I intend to ask that the bill be taken up in the same manner as the joint resolution which was just passed.

Mr. McCORMACK. I had hoped that the screening process had already gone through, but apparently not.

Mr. TOLLEFSON. Mr. Speaker, for the information of the gentleman, I hope that we will be able to have the bill up on the floor before the end of this week if it is possible.

CORRECTION OF ROLL CALL

Mr. WILSON of Indiana. Mr. Speaker, on roll call No. 80, the RECORD shows that I was absent. In fact, I was present and voted "yea." I ask unanimous consent that the RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the RECORD, or to revise and extend remarks was granted to:

Mr. SMITH of Wisconsin in three instances, in each to include extraneous matter.

Mr. FARRINGTON and include an editorial.

Mrs. FRANCES P. BOLTON and include extraneous material.

Mr. MASON and include an editorial.

Mrs. KEE and include extraneous matter.

Mr. TRIMBLE and to include an address.

Mr. ROGERS of Texas in two instances and to include extraneous matter.

Mr. DAVIS of Tennessee in two instances and to include extraneous matter.

Mr. BOGGS and to include an address by the Honorable WILBUR D. MILLS.

Mr. BOGGS in two instances and to include extraneous matter.

Mrs. BUCHANAN and to include a statement.

Mr. KEOGH in two instances.

Mr. MILLER of Nebraska.

Mr. PATTERSON and to include an editorial.

Mr. HUNTER and to include extraneous matter.

Mr. OAKMAN.

Mr. KERSTEN of Wisconsin.

Mr. BOLAND and to include extraneous matter.

Mr. LANE in three instances and to include extraneous matter.

Mr. ROOSEVELT (at the request of Mr. POWELL) and to include extraneous matter.

Mr. CHATHAM (at the request of Mr. WILLIAMS of New Jersey) and to include extraneous matter.

Mr. WILLIAMS of New Jersey and to include extraneous matter.

Mr. RABAUT.

Mr. SIEMINSKI in two instances.

Mr. REES of Kansas and to include extraneous matter.

Mr. STRINGFELLOW (at the request of Mr. HALLECK) in two instances and to include extraneous matter.

Mrs. SULLIVAN and to include a speech.

Mr. HOFFMAN of Michigan and to include an address by the Secretary of Defense.

Mr. YATES and to include an editorial from the Chicago Daily News.

Mr. PRICE in five instances and to include extraneous matter.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. FRAZIER (at the request of Mr. PRIEST), for 1 week, on account of official committee business.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1004. An act to amend section 86, Revised Statutes of the United States, relating to the District of Columbia, as amended;

S. 2225. An act relating to the administrative jurisdiction of certain public lands in the State of Oregon, and for other purposes;

S. 2654. An act to authorize the Commissioners of the District of Columbia to sell certain property owned by the District of Columbia located in Montgomery County, Md., and for other purposes;

S. 2657. An act to amend the act entitled "An act to regulate the practice of the healing art to protect the public health in the District of Columbia";

S. 3050. An act to amend the Agricultural Adjustment Act of 1938, as amended;

S. 3096. An act to further amend section 4 of the act of September 9, 1950, in relation to the utilization in an enlisted grade or rank in the Armed Forces of physicians, dentists, or those in an allied specialist category; and

S. 3213. An act relating to the merger of the Columbus University of Washington, District of Columbia, into the Catholic University of America, pursuant to an agreement of the trustee of said universities.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 27 minutes p. m.), under its previous order, the House adjourned until tomorrow, Wednesday, June 16, 1954, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

INDEPENDENT OFFICES APPROPRIATION BILL, 1955

JUNE 15, 1954.—Ordered to be printed

Mr. PHILLIPS, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. R. 8583]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8583) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies and offices, for the fiscal year ending June 30, 1955, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 13, 14, 15, 30, 33, 40, and 54.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 4, 5, 6, 25, 26, 27, 29, 37, 39, 50, 51, 52, 57, 58, and 59, and agree to the same.

Amendment numbered 3:

That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$2,161,000; and the Senate agree to the same.

Amendment numbered 9:

That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$1,098,962,300; and the Senate agree to the same.

Amendment numbered 10:

That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$110,882,400; and the Senate agree to the same.

Amendment numbered 16:

That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows:

Restore the matter stricken by said amendment, amended to read as follows: *and not to exceed \$144,250 for expenses of travel*; and the Senate agree to the same.

Amendment numbered 17:

That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$4,045,000; and the Senate agree to the same.

Amendment numbered 18:

That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$95,960,000; and the Senate agree to the same.

Amendment numbered 19:

That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment as follows:

In lieu of the sum named in said amendment insert \$500,000; and the Senate agree to the same.

Amendment numbered 20:

That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$12,066,800; and the Senate agree to the same.

Amendment numbered 23:

That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$2,868,500; and the Senate agree to the same.

Amendment numbered 28:

That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$51,000,000; and the Senate agree to the same.

Amendment numbered 31:

That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$12,250,000; and the Senate agree to the same.

Amendment numbered 32:

That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$4,750,000; and the Senate agree to the same.

Amendment numbered 34:

That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$2,350,000; and the Senate agree to the same.

Amendment numbered 36:

That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$170,000; and the Senate agree to the same.

Amendment numbered 41:

That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment as follows:

In lieu of the number proposed by said amendment insert *one hundred and fifty*; and the Senate agree to the same.

Amendment numbered 42:

That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$120,000,000; and the Senate agree to the same.

Amendment numbered 43:

That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment as follows:

In lieu of the matter stricken out and inserted by said amendment insert \$1,000,000, *of which \$400,000 shall be derived from this appropriation and \$600,000 shall be*; and the Senate agree to the same.

Amendment numbered 44:

That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$2,800,000; and the Senate agree to the same.

Amendment numbered 45:

That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$167,672,300; and the Senate agree to the same.

Amendment numbered 46:

That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment as follows:

In lieu of the number proposed by said amendment insert *twenty*; and the Senate agree to the same.

Amendment numbered 47:

That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment as follows:

In lieu of the number proposed by said amendment insert *sixty*; and the Senate agree to the same.

Amendment numbered 48:

That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$82,134,000; and the Senate agree to the same.

Amendment numbered 53:

That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment as follows:

In lieu of the matter proposed by said amendment insert *any servicer approved by the Federal National Mortgage Association*; and the Senate agree to the same.

Amendment numbered 55:

That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$5,150,000; and the Senate agree to the same.

Amendment numbered 56:

That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment as follows:

Restore the matter stricken by said amendment, amended to read as follows: : *Provided further, That expenditures for nonadministrative expenses classified by section 2 of Public Law 387, approved October 25, 1949, shall not exceed \$25,000,000*; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 7, 8, 11, 12, 21, 22, 24, 35, 38, and 49.

JOHN PHILLIPS,
NORRIS COTTON,
CHARLES R. JONAS,
JOHN TABER,
ALBERT THOMAS,
GEORGE ANDREWS,
SIDNEY R. YATES,
CLARENCE CANNON,
Managers on the Part of the House.

LEVERETT SALTONSTALL,
STYLES BRIDGES,
HOMER FERGUSON,
GUY CORDON,
BOURKE B. HICKENLOOPER,
BURNET R. MAYBANK,
LISTER HILL,
ALLEN J. ELLENDER,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 8583) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1955, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

EXECUTIVE OFFICE OF THE PRESIDENT

COUNCIL OF ECONOMIC ADVISERS

Amendment No. 1—*Salaries and expenses*: Appropriates \$285,000 as proposed by the Senate instead of \$250,000 as proposed by the House. In connection with this item the committee of conference has included \$35,000 for coordinating public-works advance planning. It is agreed that such amount is a temporary increase for a special purpose and not a permanent increase in activity, and is to be kept separate from other funds.

NATIONAL SECURITY COUNCIL

Amendment No. 2—*Salaries and expenses*: Appropriates \$215,000 as proposed by the Senate instead of \$200,000 as proposed by the House.

OFFICE OF DEFENSE MOBILIZATION

Amendments Nos. 3 and 4—*Salaries and expenses*: Appropriate \$2,161,000 instead of \$2,134,000 as proposed by the House and \$2,486,000 as proposed by the Senate, and authorize \$161,000 for the Interdepartmental Radio Advisory Committee as proposed by the Senate instead of \$134,000 as proposed by the House.

EXPENSES OF MANAGEMENT IMPROVEMENT

Amendment No. 5: Appropriates \$300,000 as proposed by the Senate instead of \$250,000 as proposed by the House.

INDEPENDENT OFFICES

ADVISORY COMMITTEE ON WEATHER CONTROL

Amendment No. 6—*Salaries and expenses*: Inserts language as proposed by the Senate and appropriates \$120,000 for necessary expenses of the Committee.

AMERICAN BATTLE MONUMENTS COMMISSION

Amendment No. 7—*Construction of memorials and cemeteries*: Reported in disagreement.

ATOMIC ENERGY COMMISSION

Amendment No. 8—*Rental of space in the District of Columbia*: Reported in disagreement. In connection with this amendment the managers on the part of the House will propose language to authorize rental of space in or near the District of Columbia only if there is no suitable Government-owned buildings available. In the event there is a difference of opinion between the General Services Administration and the Atomic Energy Commission as to the suitability of space the appropriate officials concerned should so advise the Committees on Appropriations of the House and Senate prior to July 15 and obtain the approval of the respective Committees before entering into commitments for rental space.

Amendment No. 9—*Operating expenses*: Appropriates \$1,098,962,300 instead of \$1,093,462,300 as proposed by the House and \$1,102,780,300 as proposed by the Senate. The increase over the House amount includes restoration of \$1,800,000 for physical research instead of \$3,100,000 as proposed by the Senate, \$435,000 for biology and medicine as proposed by the Senate, and \$3,265,000 for increase in stores inventories instead of \$5,783,000 as proposed by the Senate.

Amendment No. 10—*Plant and equipment*: Appropriates \$110,882,400 instead of \$96,498,400 as proposed by the House and \$130,000,000 as proposed by the Senate. The increase over the House amount includes restoration of \$5,150,000 for new processing plants instead of \$12,000,000 as proposed by the Senate, \$384,000 for housing at Los Alamos as proposed by the Senate, and \$8,850,000 for contingencies and underruns on construction projects instead of \$16,501,600 as proposed by the Senate. The amount for processing plants is provided only in the event private financing is not forthcoming, and such plants are not to be constructed without first obtaining the approval of the Committees on Appropriations of the House and Senate.

Amendment No. 11: Reported in disagreement.

CIVIL SERVICE COMMISSION

Amendment No. 12—*Investigations of United States citizens for employment by international organizations*: Reported in disagreement.

FEDERAL COMMUNICATIONS COMMISSION

Amendments Nos. 13, 14, and 15—*Salaries and expenses*: Authorize not to exceed \$4,000 for land and structures as proposed by the House instead of \$48,000 as proposed by the Senate; authorize not to exceed \$16,000 for care of grounds and buildings as proposed by the House instead of \$37,500 as proposed by the Senate; and appropriate \$6,544,400 as proposed by the House instead of \$7,294,400 as proposed by the Senate. The committee of conference has disallowed the request for additional funds for the frequency usage monitoring pro-

gram. A further review of need for the program should be made and every effort made to achieve the essential parts of the program within existing programs and facilities.

FEDERAL TRADE COMMISSION

Amendments Nos. 16 and 17—*Salaries and expenses*: Restore the language of the House and authorize the use of \$144,250 for expenses of travel instead of \$140,000 as proposed by the House; appropriate \$4,045,000 instead of \$4,030,700 as proposed by the House and \$4,100,000 as proposed by the Senate. The conferees have specifically denied funds for the office of the economic and marketing advisor to the Commission.

GENERAL SERVICES ADMINISTRATION

Amendment No. 18—*Operating expenses, Public Buildings Service*: Appropriates \$95,960,000 instead of \$94,460,000 as proposed by the House and \$96,460,000 as proposed by the Senate. The committee of conference is agreed the increase of \$1,500,000 above the House figure is to be used only for repairs to buildings.

Amendment No. 19—*Buildings management fund*: Inserts language as proposed by the Senate and provides \$500,000 additional working capital for the fund instead of \$2,000,000 as proposed by the Senate.

Amendment No. 20—*Expenses, general supply fund*: Appropriates \$12,066,800 instead of \$11,066,800 as proposed by the House and \$13,066,800 as proposed by the Senate.

Amendment No. 21—*Acquisition of automobiles*: Reported in disagreement.

HOUSING AND HOME FINANCE AGENCY

OFFICE OF THE ADMINISTRATOR

Amendment No. 22—*Salary of special counsel*: Reported in disagreement.

Amendment No. 23—*Salaries and expenses*: Appropriates \$2,868,500 instead of \$2,668,500 as proposed by the House and \$2,918,500 as proposed by the Senate.

Amendment No. 24: Reported in disagreement.

Amendment No. 25—*Capital grants for slum clearance and urban redevelopment*: Strikes out language proposed by the House as proposed by the Senate. It is the understanding of the conferees that this subject is under consideration by the legislative committees in connection with the Housing Act of 1954.

INTERSTATE COMMERCE COMMISSION

Amendment No. 26—*Defense transport activities*: Strikes out language proposed by the House and inserts language proposed by the Senate, which authorizes the Commissioner of the Interstate Commerce Commission who is so designated, to carry out functions delegated to him under the Defense Production Act of 1950.

Amendment No. 27—*Railroad safety and locomotive inspection*: Strikes out language proposed by the House and inserts language as proposed by the Senate.

NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

Amendment No. 28—*Salaries and expenses*: Appropriates \$51,000,000 instead of \$49,000,000 as proposed by the House and \$52,107,750 as proposed by the Senate.

Amendment No. 29—*Construction and equipment*: Appropriates \$4,620,000 as proposed by the Senate instead of \$4,349,000 as proposed by the House.

NATIONAL SCIENCE FOUNDATION

Amendments Nos. 30 and 31—*Salaries and expenses*: Restore \$89,500 for expenses of travel as proposed by the House instead of \$116,000 as proposed by the Senate; and appropriate \$12,250,000, instead of \$11,000,000 as proposed by the House and \$14,000,000 as proposed by the Senate. The committee of conference is agreed that of the total amount provided, not to exceed \$771,000 is available for administrative expenses of the Foundation.

SECURITIES AND EXCHANGE COMMISSION

Amendment No. 32—*Salaries and expenses*: Appropriates \$4,750,000 instead of \$4,700,000 as proposed by the House and \$4,775,000 as proposed by the Senate. The conferees are agreed that the increase above the House amount is to be used exclusively for increasing staff outside of the District of Columbia.

SMALL BUSINESS ADMINISTRATION

Amendments Nos. 33 and 34—*Salaries and expenses*: Appropriate \$2,025,000 as proposed by the House instead of \$2,575,000 as proposed by the Senate; and authorize the use of \$2,350,000 by transfer from the Revolving Fund instead of \$1,650,000 as proposed by the House and \$2,500,000 as proposed by the Senate. The increase over the amount provided by the House is to be used only in connection with loan activities under participating and direct loan provisions of the Small Business Act.

Amendment No. 35—*Revolving Fund, Small Business Administration*: Reported in disagreement.

SUBVERSIVE ACTIVITIES CONTROL BOARD

Amendments Nos. 36 and 37—*Salaries and expenses*: Appropriate \$170,000 instead of \$150,000 as proposed by the House and \$185,000 as proposed by the Senate; and make available \$115,000 of the unobligated balances as proposed by the Senate instead of \$81,000 as proposed by the House.

Amendment No. 38: Reported in disagreement.

TARIFF COMMISSION

Amendment No. 39—*Salaries and expenses*: Appropriates \$1,327,000 as proposed by the Senate instead of \$1,250,000 as proposed by the House.

Amendment No. 40: Restores language of the House requiring other agencies of the executive branch of the Government to reimburse the Tariff Commission for the cost of special studies and investigations.

TENNESSEE VALLEY AUTHORITY

Amendments Nos. 41, 42, and 43: Authorize purchase of 150 passenger motor vehicles for replacement only instead of 100 as proposed by the House and 211 as proposed by the Senate; appropriate \$120,000,000 instead of \$103,582,000 as proposed by the House and \$129,582,000 as proposed by the Senate, the increase over the House amount being entirely for a reserve for contingencies; and authorize the use of \$1,000,000 for resource-development activities including \$600,000 to be derived from proceeds of operations instead of \$600,000 to be derived from proceeds of operations as proposed by the House and \$1,200,000, including \$600,000 to be derived from proceeds of operations as proposed by the Senate. The committee of conference is agreed that the \$12,000,000 appropriated by the Senate for the construction of transmission facilities shall be financed from the corporate budget, and that the new Chairman of TVA shall give careful consideration to the resource-development activities program and to determine if it cannot be financed in the future from other than appropriated funds.

VETERANS ADMINISTRATION

Amendments Nos. 44, 45, and 46—*General operating expenses*: Authorize \$2,800,000 for expenses of travel instead of \$2,690,000 as proposed by the House and \$3,144,000 as proposed by the Senate; appropriate \$167,672,300 instead of \$163,922,300 as proposed by the House and \$171,922,300 as proposed by the Senate; and authorized not to exceed 20 persons to be engaged in public-relations work instead of 15 as proposed by the House and 26 as proposed by the Senate.

Amendment No. 47—*Inpatient care*: Authorize the purchase of 60 passenger motor vehicles for replacement only instead of 50 as proposed by the House and 70 as proposed by the Senate.

Amendment No. 48—*Outpatient care*: Appropriate \$82,134,000 instead of \$76,744,000 as proposed by the House and \$86,744,000 as proposed by the Senate.

Amendment No. 49 Reported in disagreement.

Amendment No. 50—*Hospital and domiciliary facilities*: Appropriates \$47,000,000 as proposed by the Senate instead of \$39,000,000 as proposed by the House.

Amendment No. 51—*Major alterations, improvements, and repairs*: Appropriates \$3,480,000 as proposed by the Senate instead of \$3,400,000 as proposed by the House.

TITLE II—CORPORATIONS

HOUSING AND HOME FINANCE AGENCY

Amendments Nos. 52, 53, and 54—*Office of the Administrator, revolving fund (liquidating programs)*: Insert language proposed by the Senate excluding from the administrative expense limitation contract and legal services in connection with termination of contracts; insert language proposed by the Senate amended to read “servicer” instead of “services”, in connection with servicing of mortgages by local financial institutions on a fee basis; and provide \$20 million for nonadministrative expenses as proposed by the House instead of \$26,230,000 as proposed by the Senate.

Amendments Nos. 55 and 56—*Federal Housing Administration*: Authorize the use of \$5,150,000 of available funds for administrative expenses instead of \$5 million as proposed by the House and \$5,175,000 as proposed by the Senate; and restore the provision of the House amended to provide \$25 million for nonadministrative expenses instead of \$24 million as proposed by the House.

Amendments Nos. 57, 58, and 59—*Public Housing Administration*: Strike out the words “or pursuant to” as proposed by the Senate.

JOHN PHILLIPS,
NORRIS COTTON,
CHARLES R. JONAS,
JOHN TABER,
ALBERT THOMAS,
GEORGE ANDREWS,
SIDNEY R. YATES,
CLARENCE CANNON,

Managers on the Part of the House:

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued June 17, 1954
For actions of June 16, 1954
83rd-2nd, No. 111

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HIGHLIGHTS: House passed surplus commodities bill. House conferees were appointed on agricultural appropriation bill. House agreed to conference report on independent offices appropriation bill. Senate committee reported trade agreements bill. Senate debated defense appropriation bill. Sen. Knowland inserted list of large corn, cotton, and wheat loans. Sen. Humphrey criticized reduction in dairy supports. Rep. Miller, Nebr., introduced and discussed bill to establish national water resources policy.

HOUSE

1. SURPLUS COMMODITIES; FOREIGN AID. Passed with amendments S. 2475, to increase the consumption of U. S. agricultural commodities in foreign countries, etc. (pp. 7917-36).

Agreed to the following amendments:

By Rep. Hope, to permit CCC funds to be used in financing non-CCC surplus commodities (p. 7917).

By Rep. Abernethy, to delete language assuring that sales under the bill would not disrupt world prices of like commodities (pp. 7917-19).

By Rep. Martin, Iowa, to insert language to protect the domestic mining industry in connection with stockpiling activities and to authorize a supplemental stockpile (pp. 7919-21).

By Rep. Dies (by a vote of 64 to 45), to prohibit sales of commodities where the sale would enable the receiving country to sell to Iron Curtain countries or would increase trade between countries dealing with Iron Curtain countries (p. 7931).

By Rep. Judd, as amended by an amendment by Rep. Bailey, to provide that payment for commodities may consist of strategic materials, services, and foreign currencies (pp. 7931-2).

By Rep. Bailey, to require (rather than authorize) CCC aid for distress and disaster in the U. S. (p. 7932).

By Rep. Gathings, to permit use of title I funds for international educational exchange program (p. 7933).

- By Rep. Heselton, to permit aid to intergovernmental organizations (pp. 7933-4).
- By Rep. Marshall, requiring the labeling of famine assistance gifts to show that they came from the U. S. (p. 7934).
- By Rep. Harrison, Nebr., to insure that CCC will get credit for foreign currencies used by Government agencies (p. 7934).
- By Rep. Javits, to require that CCC certify the selling price in dollars to the recipient of what is being sold for foreign currencies (pp. 7935-6).

Rejected amendments by Rep. Davis (pp. 7921-5), Rep. Cooley (pp. 7925-6), Rep. Tollefson (pp. 7926-31), Rep. Williams (pp. 7934-5), and Rep. Fulton (p. 7935).

2. AGRICULTURAL APPROPRIATION BILL, 1955. Reps. Andersen, Horan, Hunter, Laird, Taber, Whitten, Cannon, and Marshall were appointed as conferees on this bill, H. R. 8779 (p. 7916). Senate conferees were appointed June 2.
3. INDEPENDENT OFFICES APPROPRIATION BILL, 1955. Agreed to the conference report on this bill, H. R. 8583, and acted on amendments which had been reported in disagreement (pp. 7936-7).
4. RECLAMATION. The Rules Committee reported a resolution for consideration of H. R. 4854, to authorize the Foster Creek division of the Chief Joseph Dam project, Wash. (p. 7917).
5. SURPLUS PROPERTY. Passed without amendment H. R. 9232, to extend until June 30, 1955, the period during which disposals of surplus property may be made by negotiation (p. 7940).
6. WATER RESOURCES. A subcommittee of the Interior and Insular Affairs Committee voted to report to the full Committee H. R. 2843, to authorize the Interior Department to investigate and report to Congress on the conservation, development, and utilization of water resources in Hawaii (p. D693).
7. BANKING AND CURRENCY. Passed without amendment H. R. 8729, to extend until June 30, 1956, the authority of Federal Reserve banks to purchase securities directly from the Treasury in amounts not to exceed \$5 billion outstanding at any one time (pp. 7937-44).
8. HOUSING bill, H. R. 7839, is to be debated today (p. D692).

SENATE

9. TRADE AGREEMENTS. The Finance Committee reported without amendment H. R. 9474, to extend until June 12, 1955, the authority of the President to enter into trade agreements (S. Rept. 1605) (p. 7866).
10. RESEARCH. Received from this Department a printed copy of the OES report for 1953; to Agriculture and Forestry Committee (p. 7866).
11. SCS AUDIT. Received from the Acting Comptroller General a report on the audit of SCS for the fiscal years 1951 and 1952; to Government Operations Committee (p. 7866).
12. IMPORTS. The Finance Committee reported with amendments H. R. 7709, to extend the date of suspension of certain import taxes on copper (S. Rept. 1608) (p. 7866).

Foreign Operations Administration upon the request of."

Mr. WILLIAMS of Mississippi. Mr. Chairman, in view of the action taken by the House a few minutes ago on the Davis amendment, it is evident that the Members of the House intend to keep the international "handout" section in this bill.

The amendment I have offered refers only to title II of this bill, which is the handout of some several hundred million dollars' worth of farm products as a gratuity to these foreign countries.

Mr. Chairman, the purpose of this amendment, of course, is to channel this aid through the Foreign Operations Office, in order that it can be appropriately identified as part and parcel of our rather expansive and unexplainable foreign-aid program, and not be charged against the farm program and against the farmers of our country.

Also, I think it would promote efficiency. If we must waste the products of our farms over the world, then let us have it wasted by experts and not by amateurs. The Foreign Operations Administration has had 10 or 15 years of experience in wasting the people's money. Waste is their business; they know how to do it. I do not want to get the Agriculture Department in the habit of wasting the people's money also, and I am afraid they might get into that habit if we start them on this road.

The third purpose in offering this amendment is to promote honesty, by letting the people know this is foreign aid in fact, and not simply a means of dumping surpluses to save face for our farm program.

I hope the amendment will be accepted.

As far as I can tell it would not change the operation of this program in the least; it would not cost us any more money—although I have to admit that these foreign-aid boys really know how to spend—but even they would be limited to the amount contained in this bill. It will not cost any more money, and I cannot see any possible objection to charging this particular portion of this bill against the program that it should properly be charged to, the foreign-aid program.

Mr. HOPE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think this would be a very serious proposal should we adopt it because it would preclude the President, who is given the authority under the bill to carry out the program from doing it except through one certain agency. As I have stated previously this morning in discussing the pending legislation, the committee hopes that a considerable part of the commodities provided under title II will be distributed by voluntary organizations, like CARE and other groups which have efficient and effective organizations throughout the world to put these commodities in the hands of individuals, rather than through governmental agencies or from one government to another. These organizations will get these commodities in the hands of individuals. I think that is where we want them to go.

If we adopt the gentleman's amendment it will preclude the use of those commodities in that way, which certainly is the most effective way in which we can dispose of them.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. WILLIAMS].

The amendment was rejected.

Mr. FULTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FULTON: On page 9, line 21, change the semicolon to a comma and add "and for purchase of cultural items and services for Federal, State, and local United States governmental agencies, and nonprofit institutions and museums."

Mr. FULTON. Mr. Chairman, I have taken up this amendment with the chairman of the Committee on Agriculture, the gentleman from Kansas [Mr. HOPE], as well as the gentleman from North Carolina [Mr. COOLEY] and the gentleman from Texas [Mr. POAGE].

As you will note, the bill as it stands, amended by Mr. JUDD's amendment of yesterday, on page 9, lines 20 and 21, reads:

For financing and purchase of goods and services for other friendly countries.

My amendment says that from these funds, these foreign currencies that are received from the sale of these United States surplus agriculture commodities abroad, we may use some of them to bring cultural items back to the very communities where these agricultural products were raised. This would provide that the Federal Government and the State and local governments as well as museums and nonprofit institutions will have the possibility of having the foreign currencies spent for items which they can use and which will be held by them. It will be public and not for private profit.

Mr. DAVIS of Georgia. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Georgia.

Mr. DAVIS of Georgia. What are some of the cultural items or services that may come from items the gentleman has in mind?

Mr. FULTON. I would cite as one example music; for particular example, an outstanding violinist. Here is the reason I say these items should be provided for the home people: This bill provides the same thing without limits for people of friendly countries. I feel that items of a monumental or of a cultural service or a product such as a picture would be involved in the purchases under my amendment. There is no use throwing these foreign currencies away or letting it remain idle. We should have such cultural additions brought back for our public institutions, such as museums, or to help our cities in their development.

I wish to thank the committee for their support.

Mr. GROSS. Mr. Chairman, I rise in opposition to the pending amendment.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, money is being spent for just about everything

else under this bill, but I doubt that we need to use these funds to import long-haired violinists to come in and give us a song and dance out in Iowa.

Mr. WILLIAMS of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Mississippi.

Mr. WILLIAMS of Mississippi. Has this been cleared through Mr. Petrillo?

Mr. GROSS. I am not sure. The gentleman will have to address that question to the gentleman from Pennsylvania.

I am surprised someone has not asked for diversion of some of this money to those painters in Italy and France who have been very prodigious with their paint brushes painting signs telling Americans to go home.

Mr. Chairman, one other observation. I note in yesterday's papers that Mr. Churchill and Mr. Eden are coming to this country soon, and I understand that Mr. Attlee and Mr. Bevin are heading for Communist China. I assume that the right hand of the British ruling dynasty knows what the left hand is doing. I assume Mr. Bevin and Mr. Attlee are going over to Red China to get some juicy contracts for British industrialists, and I imagine that Mr. Churchill and Mr. Eden are coming to this country to dig into our pocketbooks again, perhaps to pay for their deals with the Communists.

Mr. DOWDY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to my friend from Texas.

Mr. DOWDY. I did not think any of our museums or zoos had any long-haired musicians in them.

Mr. GROSS. I have not had the opportunity to visit any of them recently, but I know the gentleman from Texas joins me in opposing the use of funds to populate our museums or zoos with imported musicians.

Mr. Chairman, this amendment ought to be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. FULTON].

The amendment was rejected.

Mr. JAVITS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JAVITS: On page 6, following the amendment adopted and beginning on line 23, strike out the period and insert "and (3) shall certify the selling price thereof in dollars."

Mr. JAVITS. Mr. Chairman, the purpose of this amendment is for tidy administration and for an understanding of exactly what we are doing both on the farm-aid program and in terms of surplus commodities for foreign assistance or for other similar purposes. The amendment requires that the Commodity Credit Corporation shall certify the selling price in dollars to the recipient of what is being sold for foreign currencies under this program. This is intended to make it very clear that the appropriations which are then made as provided by the bill to reimburse the Commodity Credit Corporation for all its investment in the commodity sold repre-

sent reimbursement; but do not represent the value of what is being utilized in this program. The value of what is utilized is by my amendment separately identified, and anyone can then argue who wishes as to the success or failure in dollars of the farm-price support program and as to the success or failure in dollars in the way in which these agricultural surplus commodities are being used. I think it is fair. I could go through the mumbo-jumbo of saying there should not be appropriations and that the Commodity Credit Corporation should come in and ask for new authority as its buying authority gets reduced. But that would be just mumbo-jumbo. I think, so long as we know what the facts and figures are, that is what, within reason, we ought to have.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from North Carolina.

Mr. COOLEY. I would like to say that the bill itself requires the President to make a report to the Congress. Personally I have no objection to the gentleman's amendment. I think it would be very well if the amendment would be adopted so that we would know exactly the dollar value involved rather than the amount of foreign currency.

Mr. JAVITS. I thank the gentleman. I wonder if the chairman of the committee would have any feeling about this amendment.

Mr. HOPE. I would say I have no objection whatever to the amendment. There has not been an opportunity to discuss it with various members of the committee, but personally I have no objection to the amendment.

Mr. JAVITS. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. JAVITS].

The amendment was agreed to.

Mr. HOPE. Mr. Chairman, I move to strike out the last word. I rise primarily to answer inquiries which have been made of the committee with respect to the interpretation of the language contained in two provisions of the bill. The first relates to section 106 as it might be applied to wool. For some reason, the wool trade has an idea that there might possibly be some exports of wool under this legislation. I cannot understand how that would be possible, because section 106 defines surplus agricultural commodities and says that that term "shall mean any agricultural commodity or product thereof, class, kind, type, or other specification thereof, produced in the United States, either privately or publicly owned, which is in excess of domestic requirements, adequate carryover, and anticipated exports for dollars, as determined by the Secretary of Agriculture."

We produce about 30 percent of the wool that we consume in this country; so I can conceive of no condition under which wool would meet the definition of surplus agricultural commodities as laid down in this bill.

The other matter, Mr. Chairman, relates to the amendment of the gentle-

woman from New York [Mrs. KELLY] which was adopted yesterday.

The text of Mrs. KELLY's amendment, defining the term "friendly nation" as meaning any country other than the U. S. S. R. or any nation dominated by the foreign government that controls the world Communist movement, is derived from a letter sent by Assistant Secretary of State Waugh to me as Chairman of the Agriculture Committee on July 23, 1953. As explained in that letter, similar definitions appear in the Trade Agreements Extension Act of 1951 and in the Battle Act. The administration has uniformly construed the reference to any nation "dominated or controlled by the foreign government or foreign organization controlling the world Communist movement" as meaning any country within the Soviet bloc, since Soviet Russia is of course the nation which controls the world Communist movement. Accordingly, countries which are not in the Soviet bloc, or which at one time were in the Soviet bloc but have broken away from the control or domination by the U. S. S. R., are not nations which are "dominated or controlled by the foreign government or foreign organization controlling the world Communist movement." For this reason, since Yugoslavia is not a member of the Soviet bloc, she is not considered by the administration to fall within this restrictive definition and accordingly is construed for purposes of United States legislation as a friendly country.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Washington [Mr. TOLLEFSON] has 3 minutes, if he desires to use that time.

Mr. TOLLEFSON. Mr. Chairman, I had another amendment on the desk; I was not certain whether it had been offered or not. If it has been offered, I ask unanimous consent that it be withdrawn.

The CHAIRMAN. The Chair understands that the amendment has not been offered, so there is no necessity for withdrawing it.

Are there any further amendments? If not, the question is on the committee substitute to the bill, as amended.

The committee substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Ford, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee having had under consideration the bill (S. 2475) to authorize the President to use agricultural commodities to improve the foreign relations of the United States, and for other purposes, pursuant to House Resolution 581, he reported the bill back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

The title was amended so as to read: "An act to increase the consumption of United States agricultural commodities in foreign countries, and for other purposes."

A motion to reconsider was laid on the table.

SPECIAL ORDER GRANTED

Mr. WHEELER asked and was given permission to address the House for 30 minutes on tomorrow, at the conclusion of the legislative program and any special orders heretofore entered.

GENERAL LEAVE TO EXTEND REMARKS

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

INDEPENDENT OFFICES APPROPRIATIONS BILL, 1955

Mr. PHILLIPS. Mr. Speaker, I call up the conference report on the bill (H. R. 8583) making appropriations for the executive office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1955, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of June 15, 1954.)

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 7: Page 8, line 3, insert "Provided further, That the Commission may reimburse other Government agencies, including the Armed Forces, for salary pay, and allowances of personnel assigned to it."

Mr. PHILLIPS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 8: Page 8, line 10, insert "rental in the District of Columbia."

Mr. PHILLIPS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment. The Clerk read as follows:

Mr. PHILLIPS moves that the House recede from its disagreement to the amendment of the Senate numbered 8, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert "rental in or near the District of Columbia only if no suitable Government-owned space is available in such area as determined by the General Services Administration."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 11: Page 11, line 14, insert the following: "Provided further, That not to exceed \$2,500,000 of the funds herein provided may be transferred to the Bureau of Public Roads, Department of Commerce, for the construction or improvement of access roads in the United States to sources of uranium ore."

Mr. PHILLIPS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 12: Page 17, line 2, insert "together with not to exceed \$500,000 of the unobligated balance of funds appropriated for this purpose in the Supplemental Appropriation Act, 1954."

Mr. PHILLIPS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 21: Page 23, line 14, after the word "only" insert "and for the acquisition of 13 such vehicles from excesses reported by other agencies, or from forfeitures."

Mr. PHILLIPS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 22: Page 28, line 3, after the semicolon insert the following: "the salary of a special counsel which shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency."

Mr. PHILLIPS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. PHILLIPS moves that the House recede from its disagreement to the amendment of the Senate numbered 22, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert "the salary of a special counsel, but not in addition to staff otherwise authorized, at the salary rate of grade GS-18 so long as such position is occupied by the initial incumbent thereof."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 24: Page 28, line 11, insert the following: "including \$150,000 for additional costs of establishing and operating a central staff for investigation and compliance functions for the Housing and Home Finance Agency."

Mr. PHILLIPS. I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. PHILLIPS moves that the House recede from its disagreement to the amendment of the Senate numbered 24, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert "including additional costs of establishing and operating a central staff for investigation and compliance functions for the Housing and Home Finance Agency, and the Administrator's general supervision and coordination responsibilities under Reorganization Plan No. 3 of 1947 shall hereafter carry full authority to assign and reassign functions, to reorganize and to make whatever changes, including the reallocation and transfer of administrative expense funds and authority where applicable, necessary to promote economy, efficiency, and fidelity in the operations of the Housing and Home Finance Agency."

The motion was agreed to.

The SPEAKER. The Clerk will call the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 35: Page 39, line 1, insert:

"REVOLVING FUND, SMALL BUSINESS ADMINISTRATION

"For additional capital for the revolving fund authorized by the Small Business Act of 1953, to be available without fiscal year limitation, \$25 million."

Mr. PHILLIPS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 38: Page 41, line 24, after "1954", insert the following: "and the Supplemental Appropriation Act, 1954."

Mr. PHILLIPS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 49: Page 47, line 1, insert the following: "of which not exceeding \$15,810,000 shall be available for outpatient fee basis dental care: *Provided*, That no part of this appropriation shall be available for outpatient dental services and treatment, or related dental appliances with respect to a service-connected dental disability which is not compensable in degree unless such condition or disability is shown to have been in existence at time of discharge and application for treatment is made within 1 year after discharge or by March 31, 1955, whichever is later: *Provided further*, That this limitation shall not apply to adjunct outpatient dental services or appliances for any dental condition associated with and held to be aggravating disability from such

other service-incurred or service-aggravated injury or disease."

Mr. PHILLIPS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. PHILLIPS moves that the House recede from its disagreement to the amendment of the Senate numbered 49, and concur therein with an amendment, as follows: In lieu of the sum of "\$15,810,000" named in said amendment, insert "\$11,200,000"; and in lieu of the date of March 31, 1955" in said amendment, insert "December 31, 1954."

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

CONFEREES ON S. 2846

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that I may be permitted to withdraw as a conferee on the bill S. 2846, the securities and exchange bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The SPEAKER. The Chair appoints the gentleman from Texas, Mr. THORNBERRY, to succeed the gentleman from Arkansas as a conferee, and the Clerk will notify the Senate accordingly.

AMENDING FEDERAL RESERVE ACT

Mr. BROWN of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 577) providing for the consideration of H. R. 8729, a bill to amend section 14 (b) of the Federal Reserve Act, as amended, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8729) to amend section 14 (b) of the Federal Reserve Act, as amended. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BROWN of Ohio. Mr. Speaker, I yield 30 minutes to the gentleman from Virginia [Mr. SMITH], and I now yield myself such time as I may require.

(Mr. BROWN of Ohio asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Ohio. Mr. Speaker, I rise to urge the adoption of House Resolution 577, which will make in order the consideration of the bill, H. R. 8729, to amend section 14 (b) of the Federal Reserve Act, as amended.

House Resolution 577, Mr. Speaker, provides for an open rule with 1 hour of general debate on the bill itself.

H. R. 8729 proposes to extend until June 30, 1956, the present authority of the Federal Reserve banks to purchase securities directly from the Treasury in amounts not to exceed \$5 billion outstanding at any one time.

Mr. Speaker, the purpose of this authority is to help the Treasury and the Federal Reserve System work together in minimizing the detrimental effects on the economy of short-run peaks in Treasury cash receipts and disbursements especially around the time of quarterly income-tax payments.

According to the report on this bill, Mr. Speaker, this direct-borrowing authority is a useful fiscal mechanism for the Treasury and the Federal Reserve and a number of unnecessary financial strains on the money market have been avoided through its use on several occasions.

The Committee on Banking and Currency has indicated in their report that a 2-year extension of this authority is desirable in order that the Congress might continue to be able to watch closely how the authority is used and to insure that a frequent review of the whole situation would be made by the Congress.

I feel that these safeguards are necessary and proper, and that under these conditions the legislation is worthy of the consideration of the Congress. I hope that the rule will be adopted and that the House membership will proceed to the consideration of H. R. 8729.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Iowa.

Mr. GROSS. Is there any restriction on the length of time that these securities can be outstanding?

Mr. BROWN of Ohio. I think 2 years, as I understand, but the gentleman will have to ask the chairman of the Committee on Banking and Currency to get an absolutely authoritative answer.

Mr. GROSS. This is a continuation of the legislation which the distinguished Senator from Ohio, the late Senator Taft, once described as a "printing press money bill." Is that correct?

Mr. BROWN of Ohio. No, I do not think that is correct. If it is, it is not to my knowledge. The authority requested here is simply for an extension of a law that has been on the statute books for some time. According to the Committee on Banking and Currency it has been very beneficial in conducting the fiscal affairs of the Government. The question before us now is whether we want to consider the measure.

Mr. GROSS. The late Senator from Ohio, Senator Taft, once described this bill as "a printing press money bill."

Mr. BROWN of Ohio. I am sure the gentleman may speak authoritatively as to what the former Senator from Ohio, Senator Taft, might have said, but I am not aware of that fact.

Mr. Speaker, I reserve the remainder of my time.

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

(Mr. PATMAN asked and was given permission to revise and extend his remarks.)

NEW QUESTION BUT ONE ANSWER: WHETHER UNUSED IDLE FUNDS SHOULD BE USED INSTEAD OF BORROWING MORE MONEY

Mr. PATMAN. Mr. Speaker, this brings up a question which the House will meet one of these days. I do not know whether the time is opportune now or not, but it involves the question of idle and unused money to the credit of the United States Government in the banks of the country. We have a policy that was built up—I do not know whether it was by a Republican administration or a Democratic administration—which has continued over a long period of time, so it is not a partisan question. It is not an attack on either political party by bringing it up. It is a question of whether or not we want to continue a policy that has been started, and if not started, condoned and tolerated and endorsed by both political parties in the past. The Treasury has had the policy of permitting billions of dollars of idle and unused money to the credit of the United States Treasury to remain idle and unused in the commercial banks of the country drawing no interest whatsoever; and then, if the Treasury needs money for a short or a long period of time, but expecting to pay it back soon, will go to the Federal Reserve banks and borrow that money and pay interest on it. That does not look fair or reasonable to me when we have that idle, unused money in the banks of the country which, upon some of it at least, we are paying as high as 3½ percent interest.

Since this bill came up I have gotten information from the Treasury which was presented in testimony as to when this authority was used in the past; the dates that were given and also the amount of money that was borrowed. I have checked those dates and the amount of money borrowed with the amount on deposit in the banks of the country at that time and I believe without an exception in every case they have had not only as much money in these banks if they had drawn on them but they have had 10 to 100 times more, and in most instances they have had more money in just 1 bank than they actually needed at that time.

So it occurs to me that we should consider that question in connection with this particular bill; it is coming before Congress one of these days, because we cannot continue to cause the Treasury to borrow money and pay interest on it when the Treasury has to its credit in the banks of the country several times as much money as they are borrowing. It just does not make sense at all; it does not make business sense to do that.

NO JUSTIFICATION FOR NOT USING MONEY ALREADY BORROWED INSTEAD OF BORROWING MORE MONEY

At this time we have several billions of dollars idle in these banks, just idle and unused, upon which the Government receives no interest. It is awfully hard

for Congress to justify that; there is no justification for it. Why should we be borrowing money and paying high interest for it when we have money in the bank that is idle and unused and for its use we are not receiving interest that we could use if we wanted to and not have to borrow that money?

Take, for instance, the action of the Treasury just a little while ago, March 15, 1934, when they borrowed \$134 million direct from the Federal Reserve under an act of which this bill is a continuation—\$134 million.

That very day 1 bank in this country had almost that much, and 2 banks had 50 percent more than that, just 2 banks in the country. Throughout the country there were several billions of dollars that could have been drawn on. A dozen banks in one city had more than a half billion dollars of the Government's money that they were using free on that very day. So, why should the Treasury borrow that \$134 million just to make it easier on those dozen banks? It just saved the dozen banks the trouble of giving up its use.

On March 16 it was the same thing.

During the time from March 15 to 17, when they were borrowing money, 18 private banks in New York City had on deposit to the credit of the United States Government from \$520 million to \$599 million. I repeat: 18 banks in New York City alone had from \$520 million to \$599 million all during that time—just those 18 banks. They had that much money on deposit belonging to the United States Treasury. They had over half a billion dollars just in 18 banks, not the 11,000 banks throughout the country. In the 11,000 banks throughout the country there was probably three, four, or five billions of dollars. But in just those 18 banks they had several times as much money as the Treasury actually needed.

NO SENSE EITHER COMMON, BOOK, OR HORSE

What I am getting at is that to permit that money to remain idle and unused, to go out and borrow money and pay interest on it just does not make any kind of sense to me, either common sense, book sense, horse sense, or any kind of sense.

Mr. NEAL. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. NEAL. Is that policy being followed in emergencies? Is that what forces the Treasury to borrow?

Mr. PATMAN. It is not, of course, a continuing policy. They usually owe quite a considerable sum all the time running all the way from millions to \$1,172 million. In other words there is some indebtedness out all the time.

I say it is unnecessary when we have money in these banks for them to go out and borrow money.

The argument will be made that it is, of course, to help the banks which will draw funds out locally and it will be disturbing to the money situation locally. That is what the Federal Reserve Bank System is for, to permit the local bank to get quick money from the local reserve bank to take care of that. The banks should borrow if necessary instead of making the Government borrow.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued June 18, 1954
For actions of June 17, 1954
83rd-2nd, No. 112

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HIGHLIGHTS: House passed bill to earmark Sec. 32 funds for fishery products.. House voted to send housing bill to conference. House passed bill to authorize GSA motor-vehicle pools and furniture control. Senate committee worked on farm program bill. Senate completed congressional action on independent offices appropriation bill. Rep. Cannon criticized flexible price supports.

HOUSE

1. FISHERY PRODUCTS. Passed without amendment S. 2802, which earmarks part of the Sec. 32 funds for education, publicity, and research in connection with fishery products until June 30, 1957, but limits the amount of expenditures for the purposes of the bill to \$3,000,000 annually, and limits the amount which may be used to purchase fish and other seafoods to \$1,500,000 (pp. 8029-31). This bill will now be sent to the President.
2. HOUSING LOANS. Agreed, 360-19, to a resolution to send to conference H. R. 7839, the omnibus housing bill which includes a provision to continue the farm housing program administered by this Department (pp. 8308-24). Senate conferees have been appointed.
3. VEHICLES; FURNITURE. Passed with amendments (essentially as reported) H. R. 8753, to authorize GSA to establish and operate motor vehicle pools and systems and to provide office furniture and furnishings when agencies are moved to new locations, to direct the GSA to report the unauthorized use of Government motor vehicles, and to authorize CSC to regulate operators of Government motor vehicles (pp. 8024-9).
4. IMPORTS. The Ways and Means Committee reported without amendment H. R. 9315, to extend on a reciprocal basis the period of free entry of Philippine articles into the U. S. (H. Rept. 1887)(pp. 8007, 8039).
5. ADJOURNED until Mon., June 21 (p. 8039). Legislative program for next week, as

announced by Rep. Halleck: Hon., Consent Calendar, Virgin Islands organic act; Tues., Private Calendar; followed by miscellaneous bills including the foreign-aid and farm-program bills if reported in time (p. 8031).

SENATE

6. INDEPENDENT OFFICES APPROPRIATION BILL, 1955. Agreed to the conference report this bill, H. R. 8583, and acted on amendments which had been reported in disagreement (pp. 7971-2). This bill will now be sent to the President.
7. DEFENSE APPROPRIATION BILL, 1955. Passed with amendments this bill, H. R. 8373 (pp. 7969-88, 7991-3, 7996-8). Senate conferees were appointed (p. 7998).
8. FARM PROGRAM. In considering S. 3052, the overall farm-program bill, the Agriculture and Forestry Committee announced that it "had tentatively agreed to — (1) authorize the CCC to pay processing and transportation costs of surplus food commodities distributed within the U. S., and to portside for those being distributed abroad; (2) retain present law whereby penal and corrective institutions are not eligible to receive surplus food commodities without cost; and (3) a provision that beginning in 1956 the parity price for basic commodities cannot be reduced more than 5 percent per year during transition from old parity formula to the new parity formula."
9. EDUCATION. Passed as reported H. R. 7434, to establish a National Advisory Committee on Education, and H. R. 9040, to authorize cooperative research in education (pp. 8005-6).
10. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment S. J. Res. 165, to authorize the Glendo unit, Wyo., Missouri Basin project (S. Rept. 1615) (p. 7951).
11. SURPLUS COMMODITIES. S. 2475, the surplus-disposal bill, was ordered printed to show House amendments (p. 7959).
12. ECONOMIC POLICIES. Sen. Carlson commended the Administration's economic policies, including pricing, budgeting, taxation, and foreign trade, and Sen. Bush inserted a New York Times article on this subject (pp. 7960-1).
13. LEGISLATIVE PROGRAM. Sen. Knowland announced that today the Senate is to consider H. R. 6435, to extend the Commodity Exchange Act to onions (which was made the unfinished business), and S. 3487, to authorize banks of cooperatives to issue consolidated debentures. He indicated that the trade agreements bill would be brought up Mon. and that there might also be a calendar call. (pp. 7998, 8006.)

BILLS INTRODUCED

14. ELECTRIFICATION. S. 3623 and 3624, by Sen. Anderson (for himself and others), to provide for power generation at Cougar and Green Peter Dams; to Public Works Committee (p. 7952). Remarks of author (pp. 7952-7).
15. PERSONNEL. S. 3627, by Sen. Carlson, to correct a "loophole" in the Civil Service Retirement Act; to Post Office and Civil Service Committee (p. 7952). Remarks of author (pp. 7957-8).
16. EDUCATION. S. 3628 and 3629, by Sen. Upton (for himself and others), to amend and make permanent the program of school assistance in Federally affected

the contractor in that area was willing to meet the lowest bid. I am willing to give that discretionary authority to the Secretary of Defense. If the Senator will write the language, I shall be glad to accept it.

Mr. PASTORE. Mr. President, will the Senator from Delaware yield further?

Mr. WILLIAMS. I yield.

Mr. PASTORE. If the Senator is intent on retaining the words "so far as practicable," would he agree to an amendment that would read, "so far as practicable in the public interest"?

Mr. WILLIAMS. I think, if the Senator will read the law, he will find that the President of the United States has adequate authority to declare that in the public interest he will waive this entire section of the law. He can do so by declaring a national emergency.

Mr. PASTORE. I am afraid not, if we say that it is the desire of the Congress of the United States to give these awards to the lowest responsible bidder. We should make a record on the Senate floor to the effect that in certain cases where there may be extenuating circumstances, it would be better in the public interest to award a bid to a somewhat higher bidder in an area where there are many workers available to do the work quickly and well, and that the defense department by law would have the discretion to do so.

Mr. WILLIAMS. The Secretary of Defense made the statement that he had agreed to award a contract to the Quincy Shipyards in what he thought was the best interest of the Government. I did not agree with him, but I respect his position. I think Congress should spell out clearly whether we intend these contracts to be awarded on a competitive basis and to the lowest bidders, or to be awarded merely on the basis of the need of work in a certain area.

We should not adopt a policy which would encourage Senators to make speeches exaggerating the unemployment situation in their areas for the purpose of persuading the Secretary of Defense to award contracts in their States. This is not a relief bill.

Mr. KUCHEL. Mr. President, will the Senator from Delaware yield to me for a few moments, without losing his right to the floor?

Mr. WILLIAMS. With that understanding, I yield to the Senator from California.

MODERNIZATION OF MERCHANT VESSELS IN THE MOTHBALL FLEET—ADDITIONAL COSPONSOR OF BILL

Mr. KUCHEL. Mr. President, earlier this month, while I was unable to be in the city, the senior Senator from Maryland [Mr. BUTLER], in company with a number of our colleagues, introduced a bill to set in motion a sorely needed program to modernize a number of merchant vessels in the Nation's mothball fleet and make sure that our second line of defense does not deteriorate to such a point that an emergency would find the United States tragically unprepared.

That bill is S. 3546, to provide an immediate program for the modernization and improvement of such merchant-type vessels in the reserve fleet as are necessary for national defense, I now ask unanimous consent to have my name included as one of the cosponsors. I have received the consent of the Senator from Maryland.

Since my State has a long history of participation in the Nation's maritime activities, I welcome this proposal. It would make possible a type of national security insurance which this country should consider a prudent investment. I deeply appreciate the generous permission of the senior Senator from Maryland to be included as a cosponsor of the bill, which I hope will be reported favorably and passed during the present session.

The plan to improve and put in up-to-date condition some 200 ships now in the decommissioned reserve should be authorized for a variety of compelling reasons. I believe this form of insurance, as I view it, is an economical way of keeping in readiness a vital segment of the country's tremendous production potential that was the eventual key to success in World War II. At the same time it will strengthen the peacetime economy which all of us always are striving to promote.

The role played by California men and women during World War II in turning out ships of all types is well known. However, in many respects superhuman effort was required to achieve the record of which the people of my State are so proud. By enacting legislation such as the Emergency Ship Repair Act to which I have referred I hope it will be possible in the unfortunate event of other troubles to reduce the difficulties and problems that had to be surmounted between 1941 and 1945. I even dare to voice a hope that by such a modest expenditure we may register progress in discouraging any prospective aggressor from adding to the present tensions of the world.

I am not an alarmist, and I fervently hope the existing pressures can be eased. Yet I am convinced this country would be shortsighted in the extreme to overlook any precaution, any possible source of strength, that might equip us for any unfavorable situation that might develop and threaten our well being and our security.

Enactment of the emergency ship repair bill would have two immediate and tremendously valuable results. As pointed out recently by Rear Adm. B. E. Manseau, Deputy Chief of the Navy's Bureau of Ships, it would benefit this country's distressed shipbuilding and ship repair industry and at the same time augment the strength-in-being of our reserve merchant marine which would be indispensable in the event of an outbreak of hostilities.

On every one of our coasts and on the Great Lakes the shipyards on which we must count to keep our overseas lifelines unbroken are confronted with serious problems. As other nations have recovered from the effects of World War II, an expanding ability to supply their own needs and recovering national pride

have caused an inevitable decline in the need for ships from American yards. For nearly a decade now, the declining operations of our shipyards have had alarming and far-reaching consequences in the dispersion of the skilled forces, trained in one of the most highly specialized types of work, who are the backbone of this essential industry.

Our national experience in World War II and Korea, when the logistic support furnished by American shipping made the merchant marine a true fourth arm of national defense, demonstrated conclusively the dependence our Military Establishment puts on the ships and men constituting this Reserve on which the United States has made tremendous demands twice in only a little more than 10 years.

I realize that some naval construction is going on and planned for the future. I am aware that the Administration has proposed building a handful of new passenger vessels. But shipbuilding and ship repair work has declined to such a point that week by week and day by day workers are forced to move to other areas and to look for jobs in other industries. At the same time, the hundreds of ships in the mothball fleets are becoming more and more outmoded. If a new emergency should happen, our defense forces would be compelled to call into service auxiliaries which would be far from adequate and the men and machinery to put many into shape would not be poised for action.

The importance of carrying on a continuing program of modernizing the craft in our reserve fleet is imposed forcefully on me because California is a coastal State and the lives and prosperity of so many of its people are directly linked with the merchant marine. The bill of which I am proud to become a cosponsor proposes a soundly-conceived formula, at a cost which is entirely within range of our pocketbook, for taking out additional national life insurance which the United States cannot afford to be without.

The PRESIDING OFFICER (Mr. PAYNE in the chair). Without objection, the Senator's name will be added to the bill as a cosponsor.

INDEPENDENT OFFICES APPROPRIATION BILL, 1955—CONFERENCE REPORT

Mr. KNOWLAND. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS. I yield.

Mr. KNOWLAND. There is at the desk a conference report, which is a privileged matter. I do not believe it will take more than a few minutes to dispose of it. I have consulted with the distinguished minority leader about it, and he has no objection to its consideration. I now ask that the conference report be laid before the Senate.

Mr. BRIDGES. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8583) making appropriations for the Executive Office and

sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1955, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report. (For conference report, see proceedings of House of Representatives of June 15, 1954, pp. 7859, 7860, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. SMITH of New Jersey. Mr. President, I should like to refer for a minute to the appropriation for the National Science Foundation. I notice in the statement of the House managers, at page 9 in the conference report, the following:

The committee of conference is agreed that of the total amount provided, not to exceed \$771,000 is available for administrative expenses of the Foundation.

Is my understanding correct that the above statement refers to the amount of this appropriation available for personal services?

Mr. BRIDGES. I may say to the distinguished Senator from New Jersey that the conference has agreed on an appropriation of \$12,250,000. The House had increased last year's amount from \$8 million to \$11 million because of a transfer of \$3 million on basic research from the Department of Defense, and the Senate amendment was to restore the full estimate of \$14 million.

The amount agreed upon will provide about \$11 million for grants for the support of research and for the training of scientific manpower.

As to the administrative expenses, the conference report states that "not to exceed \$771,000 is available for administrative expenses of the Foundation."

The House report stated:

The committee is of the opinion that the Foundation is overstaffed in administration and it certainly should not increase over the present level. No limitation has been placed on personal services in the bill this year, but funds for increased staff are specifically denied. The Foundation requested \$982,000 for personal services in its budget presentation in 1954, but the committee approved only \$771,000. In its budget for 1955 this agency shows it will spend \$974,000 in 1954 for personal services which is substantially the amount of the request, although only \$8 million of the \$15 million requested was approved. The committee feels this is a disproportionate increase and will be following expenditures for this purpose closely to see if a limitation is necessary in the future.

I understand this language in the House report was discussed during the conference, and I further understand that the \$771,000 referred to was intended to limit only the personal services and was not intended to limit the entire administrative expenses of the Foundation.

It is true that \$771,000 for personal services would mean a reduction from the 1954 level of \$974,000 as stated in the budget, but such reduction is in line with the position of the House. If such reduction is not workable, a request could be considered on the supplemental bill soon to come from the House.

Mr. SMITH of New Jersey. I thank the Senator from New Hampshire for the explanation.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 8583, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
June 16, 1954.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 7, 11, 12, 21, 35, and 38 to the bill (H. R. 8583) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1955, and for other purposes, and concur therein;

That the House recede from its disagreement to the amendment of the Senate numbered 8, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert: "rental in or near the District of Columbia only if no suitable Government-owned space is available in such area as determined by the General Services Administration."

That the House recede from its disagreement to the amendment of the Senate numbered 22, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert: "the salary of a special counsel, but not in addition to staff otherwise authorized, at the salary rate of grade GS-18 so long as such position is occupied by the initial incumbent thereof."

That the House recede from its disagreement to the amendment of the Senate numbered 24, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert: "including additional costs of establishing and operating a central staff for investigation and compliance functions for the Housing and Home Finance Agency, and the Administrator's general supervision and coordination responsibilities under Reorganization Plan Numbered 3 of 1947 shall hereafter carry full authority to assign and reassign functions, to reorganize and to make whatever changes, including the reallocation and transfer of administrative expense funds and authority where applicable, necessary to promote economy, efficiency, and fidelity in the operations of the Housing and Home Finance Agency."

That the House recede from its disagreement to the amendment of the Senate numbered 49, and concur therein with an amendment, as follows: In lieu of the sum of "\$15,810,000" named in said amendment insert: "\$11,200,000" and in lieu of the date "March 31, 1955" in said amendment insert: "December 31, 1954."

Mr. BRIDGES. I move that the Senate agree to the amendments of the House to the amendments of the Senate numbered 8, 22, 24, and 49.

The motion was agreed to.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1955

The Senate resumed the consideration of the bill (H. R. 8873) making appropriations for the Department of Defense and related independent agency for the fiscal year ending June 30, 1955, and for other purposes.

The PRESIDING OFFICER. The Senator from Delaware [Mr. WILLIAMS] has the floor.

Mr. CHAVEZ. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS. I yield.

Mr. CHAVEZ. I am interested in the amendment of the Senator from Delaware, which reads as follows:

None of the funds appropriated in this act shall be used except that, so far as practicable, all contracts shall be awarded on a competitive basis to the lowest responsible bidder.

I should like to have the opinion of the Senator with respect to whether or not the word "responsible" does not imply discretion in determining whether or not the lowest bidder is No. 1, No. 5, No. 6, or No. 8.

Mr. WILLIAMS. Yes; it does, to a certain extent.

Mr. CHAVEZ. The amendment does not provide that a contract shall be awarded on a competitive basis to the lowest bidder; it provides that it shall be awarded on a competitive basis to the lowest responsible bidder.

Mr. WILLIAMS. The reason I included that word—and I did so intentionally—was that I could conceive of a situation in which an individual with no responsibility whatever might merely submit a bid. In that event, acceptance of the bid would not be in the interest of the Government or of anyone else.

Mr. CHAVEZ. I think the word is necessary and is a very happy choice.

Mr. WILLIAMS. The discretion of determining who is responsible and who is not responsible is reposed in the Secretary of Defense.

Mr. CHAVEZ. The word "responsible" carries many connotations.

Mr. WILLIAMS. That is correct.

Mr. CHAVEZ. It might mean the physical ability to fulfill the contract and to perform the service which the Army wants done. It might mean financial responsibility. There are all kinds of responsibility. So this language does not necessarily mean that a contract would be given to the lowest bidder.

Mr. WILLIAMS. Oh, no; not unless the low bidder was also recognized as a responsible bidder.

Mr. CHAVEZ. The responsibility of determining who was the lowest bidder would still be reposed in the Secretary of Defense. Am I correct?

Mr. WILLIAMS. That is correct.

Mr. CHAVEZ. That being so, is it not surplusage to use the words "so far as practicable"?

Mr. WILLIAMS. The reason for including those words is that situations arise in connection with the military defense when it might not be practicable

Public Law 428 - 83d Congress
Chapter 359 - 2d Session
H. R. 8583

AN ACT

Making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1955, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following Independent Of-
fices Appropria-
tion Act, 1955.
sums are appropriated, out of any money in the Treasury not other-
wise appropriated, for the Executive Office and sundry independent
executive bureaus, boards, commissions, corporations, agencies, and
offices, for the fiscal year ending June 30, 1955, namely:

TITLE I

EXECUTIVE OFFICE OF THE PRESIDENT

COMPENSATION OF THE PRESIDENT

For compensation of the President, including an expense allowance at the rate of \$50,000 per annum, as authorized by the Act of January 19, 1949 (3 U. S. C. 102), \$150,000.

63 Stat. 4.

THE WHITE HOUSE OFFICE

Salaries and expenses: For expenses necessary for The White House Office, including not to exceed \$215,000 for services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), at 60 Stat. 810.
such per diem rates for individuals as the President may specify, and 68 Stat. 272.
other personal services without regard to the provisions of law regu- 68 Stat. 273.
lating the employment and compensation of persons in the Govern-
ment service; newspapers, periodicals, teletype news service, and
travel and official entertainment expenses of the President, to be
accounted for solely on his certificate; \$1,895,000.

EXECUTIVE MANSION AND GROUNDS

For the care, maintenance, repair and alteration, refurnishing, improvement, heating and lighting, including electric power and fixtures, of the Executive Mansion and the Executive Mansion grounds, and traveling expenses, to be expended as the President may determine, notwithstanding the provisions of this or any other Act, \$366,200.

BUREAU OF THE BUDGET

Salaries and expenses: For expenses necessary for the Bureau of the Budget, including newspapers and periodicals (not exceeding \$200); teletype news service (not exceeding \$900); not to exceed \$70,000 for expenses of travel; and not to exceed \$20,000 for services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), at rates 60 Stat. 810.
not to exceed \$50 per diem for individuals; \$3,382,500: *Provided,*
That the Bureau of the Budget is authorized, without regard to
section 505 of the Classification Act of 1949, to place two additional 63 Stat. 959.
positions in grade GS-18 and two additional positions in grade GS-17 5 USC 1105.
of the General Schedule established by said Act.

COUNCIL OF ECONOMIC ADVISERS

60 Stat. 23. Salaries and expenses: For necessary expenses of the Council in carrying out its functions under the Employment Act of 1946 (5 U. S. C. 1021), including newspapers and periodicals (not exceeding \$200); not exceeding \$15,000 for expenses of travel; and press clippings (not exceeding \$300); \$285,000, together with the unobligated balance of funds appropriated for this purpose in the "Supplemental Appropriation Act, 1954".

NATIONAL SECURITY COUNCIL

60 Stat. 810. Salaries and expenses: For expenses necessary for the National Security Council, including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), at rates not in excess of \$50 per diem for individuals; acceptance and utilization of voluntary and uncompensated services; and expenses of attendance at meetings concerned with work related to the activity of the Council; \$215,000.

OFFICE OF DEFENSE MOBILIZATION

60 Stat. 810. Salaries and expenses: For expenses necessary for the Office of Defense Mobilization, including newspapers and periodicals (not exceeding \$500); hire of passenger motor vehicles; reimbursement of the General Services Administration for security guard service; and expenses of attendance at meetings concerned with the purposes of this appropriation; \$2,161,000, of which \$161,000 shall be available for the Interdepartmental Radio Advisory Committee: *Provided*, That contracts for not to exceed eight persons under this appropriation for temporary or intermittent services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), may be renewed annually.

68 Stat. 273.

68 Stat. 274.

FUNDS APPROPRIATED TO THE PRESIDENT

EMERGENCY FUND FOR THE PRESIDENT

NATIONAL DEFENSE

For expenses necessary to enable the President, through such officers or agencies of the Government as he may designate, and without regard to such provisions of law regarding the expenditure of Government funds or the compensation and employment of persons in the Government service as he may specify, to provide in his discretion for emergencies affecting the national interest, security, or defense which may arise at home or abroad during the current fiscal year, \$150,000, together with not to exceed \$600,000 of the unobligated balance in such fund on June 30, 1954: *Provided*, That no part of this appropriation shall be available for allocation to finance a function or project for which function or project a budget estimate of appropriation was transmitted pursuant to law during the Eighty-third Congress, second session, and Eighty-fourth Congress, first session, and such appropriation denied after consideration thereof by the Senate or House of Representatives or by the Committee on Appropriations of either body.

EXPENSES OF MANAGEMENT IMPROVEMENT

For expenses necessary to assist the President in improving the management of executive agencies and in obtaining greater economy and efficiency through the establishment of more efficient business methods in Government operations, including services as authorized

by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), at rates 60 Stat. 810.
for individuals not to exceed \$50 per diem, by allocation to any
agency or office in the executive branch for the conduct, under the
general direction of the Bureau of the Budget, of examinations and
appraisals of, and the development and installation of improvements
in, the organization and operations of such agency or of other agencies
in the executive branch, \$300,000, to remain available until expended,
and which shall be available without regard to the provisions of
subsection (c) of section 3679 of the Revised Statutes, as amended. 31 USC 665.

INDEPENDENT OFFICES

ADVISORY COMMITTEE ON WEATHER CONTROL

SALARIES AND EXPENSES

For necessary expenses of the Advisory Committee on Weather
Control, established by the Act of August 13, 1953 (67 Stat. 559), 15 USC 311 note.
including services as authorized by section 15 of the Act of August 2,
1946 (5 U. S. C. 55a), \$120,000. 60 Stat. 810.

AMERICAN BATTLE MONUMENTS COMMISSION

Salaries and expenses: For necessary expenses, as authorized by the
Act of June 26, 1946 (36 U. S. C. 121, 123-132, 138), including the 60 Stat. 317.
acquisition of land or interest in land in foreign countries; purchase
and repair of uniforms for caretakers of national cemeteries and
monuments outside of the United States and its Territories and
possessions at a cost not exceeding \$500; not to exceed \$12,000 for
expenses of travel; rent of office and garage space in foreign countries;
purchase of one passenger motor vehicle for replacement only; and 68 Stat. 274.
insurance of official motor vehicles in foreign countries when required 68 Stat. 275.
by law of such countries; \$775,000: *Provided*, That where station allowance
allowance has been authorized by the Department of the Army for
officers of the Army serving the Army at certain foreign stations, the
same allowance shall be authorized for officers of the Armed Forces
assigned to the Commission while serving at the same foreign stations,
and this appropriation is hereby made available for the payment of
such allowance: *Provided further*, That when traveling on business Reimbursements.
of the Commission, officers of the Armed Forces serving as members
or as secretary of the Commission may be reimbursed for expenses
provided for civilian members of the Commission: *Provided fur-*
ther, That the Commission may reimburse other Government agencies,
including the Armed Forces, for salary, pay, and allowances of per-
sonnel assigned to it.

Construction of memorials and cemeteries: For expenses necessary
for the permanent design and construction of memorials and ceme-
teries in foreign countries as authorized by the Act of June 26, 1946
(36 U. S. C. 121, 123-132, 138b), and the Act of August 5, 1947 (50 60 Stat. 317.
U. S. C. App. 1819), including purchase of one passenger motor 61 Stat. 779.
vehicle for replacement only, and not to exceed \$41,276 for expenses
of travel, \$3,500,000, to remain available until expended: *Provided*, National Memo-
That the Commission is hereby authorized to erect such works of rial Cemetery
architecture and art in the National Memorial Cemetery of the Pacific of the Pacific.
as may be determined by the Commission with the consent of the
Secretary of the Army: *Provided further*, That the Commission may
reimburse other Government agencies, including the Armed Forces,
for salary, pay, and allowances of personnel assigned to it.

ATOMIC ENERGY COMMISSION

Operating expenses: For necessary operating expenses of the Commission in carrying out the purposes of the Atomic Energy Act of 1946, including the employment of aliens; rental in or near the District of Columbia only if no suitable Government-owned space is available in such area as determined by the General Services Administration; services authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); maintenance and operation of aircraft; publication and dissemination of atomic information; purchase, repair, and cleaning of uniforms; purchase of newspapers and periodicals (not to exceed \$5,000); official entertainment expenses (not to exceed \$5,000); not to exceed \$2,564,130 for expenses of travel; reimbursement of the General Services Administration for security guard services; not to exceed \$37,232,900 for personal services; and hire of passenger motor vehicles; \$1,098,962,300, together with the unexpended balances, as of June 30, 1954, of prior year appropriations made available under this head to the Atomic Energy Commission: *Provided*, That of such amounts \$100,000 may be expended for objects of a confidential nature and in any such case the certificate of the Commission as to the amount of the expenditure and that it is deemed inadvisable to specify the nature thereof shall be deemed a sufficient voucher for the sum therein expressed to have been expended: *Provided further*, That from this appropriation transfers of sums may be made to other agencies of the Government for the performance of the work for which this appropriation is made, and in such cases the sums so transferred may be merged with the appropriation to which transferred: *Provided further*, That no part of this appropriation shall be used to pay the salary of any officer or employee (except such officers and employees whose compensation is fixed by law, and scientific and technical personnel) whose position would be subject to the Classification Act of 1949, as amended, if such Act were applicable to such position, at a rate in excess of the rate payable under such Act for positions of equivalent difficulty or responsibility: *Provided further*, That no part of this appropriation shall be used in connection with the payment of a fixed fee to any contractor or firm of contractors engaged under a cost-plus-a-fixed-fee contract or contracts at any installation of the Commission, where that fee for community management is at a rate in excess of \$90,000 per annum, or for the operation of a transportation system where that fee is at a rate in excess of \$45,000 per annum.

Plant and equipment: For expenses of the Commission in connection with the purchase and construction of plant and the acquisition of equipment and other expenses incidental thereto necessary in carrying out the purposes of the Atomic Energy Act of 1946, including purchase of land and interests in land; purchase of aircraft; purchase (not to exceed two hundred and fifty-eight for replacement only) and hire of passenger motor vehicles; \$110,882,400, to remain available until expended: *Provided*, That the unexpended balances of prior year appropriations made available under this head shall be merged with this appropriation: *Provided further*, That in addition to funds allocated for research and development for reactors the Commission may expend from funds provided under this head such sum as may be necessary, not to exceed \$7,000,000, for beginning of research or construction of such reactors, without regard to any other provision of this Act: *Provided further*, That no part of the foregoing appropriation shall be available for the construction of any office building, residence, warehouse or similar structure, utility, or other specific portion or unit of a project, unless funds are available for the com-

60 Stat. 775.
42 USC 1801
note.

60 Stat. 810.

Transfer of
funds.

Salary restric-
tion..

68 Stat. 275.

68 Stat. 276.

63 Stat. 954.

5 USC 1071 note.

Cost-plus-a-
fixed-fee con-
tract, etc.

42 USC 1801 note.

Unexpended bal-
ances.

Reactor re-
search and con-
struction.

Construction re-
strictions.

pletion of such building, utility, or other specific portion or unit of such project. The foregoing proviso shall not be construed to prevent the purchase of land for any project, the construction of any new building or procurement of any machinery, equipment or materials therefor, nor any utility nor any portion or unit of a specific project if the funds are available to pay the cost of such land, the cost of such building, machinery, equipment or materials, or the cost of such utility or the cost of any such specific portion or unit of such project: *Provided further*, That no part of this appropriation shall be used—

(A) to start any new construction project for which an estimate was not included in the budget for the current fiscal year unless it be a substitute therefor within the limits of cost included in the budget; and

(B) to start any new construction project the currently estimated cost of which exceeds by thirty-five per centum the estimated cost included therefor in such budget: *Provided further*, That not to exceed \$2,500,000 of the funds herein provided may be transferred to the Bureau of Public Roads, Department of Commerce, for the construction or improvement of access roads in the United States to sources of uranium ore.

No part of the appropriations herein made to the Atomic Energy Commission shall be available for payments under any contract hereafter negotiated without advertising by the Commission, except

contracts with any foreign government or any agency thereof and contracts for source material with foreign producers, unless such contract includes a clause to the effect that the Comptroller General of the United States or any of his duly authorized representatives shall until the expiration of three years after final payment have access to and the right to examine any directly pertinent books, documents, papers, and records of the contractor or any of his subcontractors engaged in the performance of and involving transactions related to such contracts or subcontracts: *Provided*, That no part of such appropriations shall be available for payments under any such contract which includes any provision precluding an audit by the General Accounting Office of any transaction under such contract.

Any appropriation available under this Act or heretofore made to the Atomic Energy Commission may initially be used subject to limitations in this Act during the fiscal year 1955 to finance the procurement of materials, services, or other costs which are a part of work or activities for which funds have been provided in any other appropriation available to the Commission: *Provided*, That appropriate transfers or adjustments between such appropriations shall subsequently be made for such costs on the basis of actual application determined in accordance with generally accepted accounting principles.

Not to exceed 5 per centum of any appropriation under this head may be transferred to any other such appropriation but no such appropriation shall be increased by more than 5 per centum by any such transfers, and any such transfers shall be reported promptly to the appropriations committees of the House and Senate.

No part of any appropriation herein made to the Atomic Energy Commission shall be used to confer a fellowship on any person who advocates or who is a member of an organization or party that advocates the overthrow of the Government of the United States by force or violence or with respect to whom the Commission finds, upon investigation and report by the Civil Service Commission on the character, associations, and loyalty of whom, that reasonable grounds exist for belief that such person is disloyal to the Government of the United States: *Provided*, That any person who advocates or who is

Contract pay-
ments.

68 Stat. 276.

68 Stat. 277.

GAO audit.

Transfer of
funds..

Restriction.

Report to Con-
gressional
Committees.

AEC fellowships.
Disloyalty re-
strictions.

Penalty.

a member of an organization or party that advocates the overthrow of the Government of the United States by force or violence and accepts employment or a fellowship the salary, wages, stipend, grant, or expenses for which are paid from any appropriation contained herein shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penal clause shall be in addition to, and not in substitution for, any other provisions of existing law.

CIVIL SERVICE COMMISSION

Salaries and expenses: For necessary expenses, including not to exceed \$29,000 for services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); not to exceed \$10,000 for medical examinations performed for veterans by private physicians on a fee basis; travel expenses of examiners acting under the direction of the Commission, and expenses of examinations and investigations held in Washington and elsewhere; not to exceed \$100 for the purchase of newspapers and periodicals (excluding scientific, technical, trade or traffic periodicals, for official use); payment in advance for library membership in societies whose publications are available to members only or to members at a price lower than to the general public; not to exceed \$65,000 for performing the duties imposed upon the Commission by the Act of July 19, 1940 (54 Stat. 767); reimbursement of the General Services Administration for security guard services for protection of confidential files; not to exceed \$443,000 for expenses of travel; and not to exceed \$5,000 for actuarial services by contract, without regard to section 3709, Revised Statutes, as amended; \$15,575,600: *Provided*, That no details from any executive department or independent establishment in the District of Columbia or elsewhere to the Commission's central office in Washington or to any of its regional offices shall be made during the current fiscal year, but this shall not affect the making of details for service as members of the boards of examiners outside the immediate offices of the Commission in Washington or of the regional directors, nor shall it affect the making of details of persons qualified to serve as expert examiners on special subjects: *Provided further*, That the Civil Service Commission shall have power in case of emergency to transfer or detail any of its employees to or from its office or field force.

No part of the appropriations herein made to the Civil Service Commission shall be available for the salaries and expenses of the Legal Examining Unit in the Examining and Personnel Utilization Division of the Commission, established pursuant to Executive Order 9358 of July 1, 1943, or for the compensation or expenses of any member of a board of examiners (1) who has not made affidavit that he has not appeared in any agency proceeding within the preceding two years, and will not thereafter while a board member appear in any agency proceeding, as a party, or in behalf of a party to the proceeding, before an agency in which an applicant is employed who has been rated or will be rated by such member; or (2) who, after making such affidavit, has rated an applicant who at the time of the rating is employed by an agency before which the board member has appeared as a party, or in behalf of a party, within the preceding two years: *Provided*, That the definitions of "agency", "agency proceeding", and "party" in section 2 of the Administrative Procedure Act shall apply to these terms as used herein.

No part of appropriations herein shall be used to pay the compensation of officers and employees of the Civil Service Commission who allocate or reallocate supervisory positions in the classified civil

60 Stat. 810.

5 USC 118i,
118k-118n.

41 USC 5.

68 Stat. 277.
68 Stat. 278.

Emergency
transfers.

Legal Examining
Unit.

3 CFR 1943
Supp., p. 30.

Definitions.
60 Stat. 237.
5 USC 100l.

Officers al-
locating super-
visory positions.

service solely on the size of the group, section, bureau, or other organization unit, or on the number of subordinates supervised. References to size of the group, section, bureau, or other organization unit or the number of subordinates supervised may be given effect only to the extent warranted by the workload of such organization unit and then only in combination with other factors, such as the kind, difficulty, and complexity of work supervised, the degree and scope of responsibility delegated to the supervisor, and the kind, degree, and value of the supervision actually exercised.

Investigations of United States citizens for employment by international organizations: For expenses necessary to carry out the provisions of Executive Order No. 10422 of January 9, 1953, as amended, prescribing procedures for making available to the Secretary General of the United Nations, and the executive heads of other international organizations, certain information concerning United States citizens employed, or being considered for employment by such organizations, \$400,000, together with not to exceed \$500,000 of the unobligated balance of funds appropriated for this purpose in the "Supplemental Appropriation Act, 1954": *Provided*, That this appropriation shall be available for advances or reimbursements to the applicable appropriations or funds of the Civil Service Commission and the Federal Bureau of Investigation for expenses incurred by such agencies under said Executive order: *Provided further*, That members of the International Organizations Employees Loyalty Board may be paid actual transportation expenses, and per diem in lieu of subsistence authorized by the Travel Expense Act of 1949 while traveling on official business away from their homes or regular places of business, including periods while en route to and from and at the place where their services are to be performed: *Provided further*, That nothing in sections 281 or 283 of title 18, United States Code, or in section 190 of the Revised Statutes (5 U. S. C. 99) shall be deemed to apply to any person because of appointment for part-time or intermittent service as a member of the International Organizations Employees Loyalty Board in the Civil Service Commission as established by Executive Order 10422, dated January 9, 1953, as amended.

Annuities, Panama Canal construction employees and Lighthouse Service widows: For payment of annuities authorized by the Act of May 29, 1944, as amended (48 U. S. C. 1373a), and the Act of August 19, 1950 (64 Stat. 465), \$2,354,000.

Payment to the civil-service retirement and disability fund for increases in annuities provided by the Act of July 16, 1952: For payment to the "civil-service retirement and disability fund" for the cost, as heretofore determined by the Civil Service Commission, of increases in annuities provided by the Act of July 16, 1952 (66 Stat. 723), for the fiscal year 1955, \$29,623,000.

FEDERAL COMMUNICATIONS COMMISSION

Salaries and expenses: For necessary expenses in performing the duties of the Commission as authorized by law, including newspapers (not to exceed \$175), land and structures (not to exceed \$4,000), special counsel fees, improvement and care of grounds and repairs to buildings (not to exceed \$16,000), services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), purchase of not to exceed nine passenger motor vehicles, for replacement only, in the event adequate vehicles cannot be obtained by transfer from other departments or agencies, and not to exceed \$90,000 for expenses of travel, \$6,544,400, together with not to exceed \$150,000 of the unobligated balance of funds appropriated for this purpose in the "First Independent Offices Appropriation Act, 1954".

International organizations, employees.
3 CFR, 1953
Supp., p. 57.

67 Stat. 426.

63 Stat. 166.
5 USC 835 note.

68 Stat. 278.
68 Stat. 279.
62 Stat. 697.

Annuities.

58 Stat. 258.
33 USC 771-775.

5 USC 736a.

60 Stat. 810.

67 Stat. 301.

FEDERAL POWER COMMISSION

Salaries and expenses: For expenses necessary for the work of the Commission, as authorized by law, including not to exceed \$220,000 for expenses of travel; purchase (one for replacement only) and hire of passenger motor vehicles; and not to exceed \$500 for newspapers; \$4,150,000, of which not to exceed \$10,000 shall be available for special counsel and services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), but at rates not exceeding \$50 per diem for individuals.

60 Stat. 810.

FEDERAL TRADE COMMISSION

Salaries and expenses: For necessary expenses of the Federal Trade Commission, including not to exceed \$500 for newspapers, services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), and not to exceed \$144,250 for expenses of travel, \$4,045,000: *Provided*, That no part of the foregoing appropriation shall be expended upon any investigation hereafter provided by concurrent resolution of the Congress until funds are appropriated subsequent to the enactment of such resolution to finance the cost of such investigation: *Provided further*, That no part of the foregoing appropriation shall be available for a statistical analysis of the consumer's dollar.

60 Stat. 810.

68 Stat. 279.

68 Stat. 280.

GENERAL ACCOUNTING OFFICE

Salaries and expenses: For necessary expenses of the General Accounting Office, including newspapers and periodicals (not exceeding \$500), and services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), \$31,981,000: *Provided*, That the fourth paragraph under the heading "General Accounting Office" in Public Law 137, approved August 31, 1951 (65 Stat. 274), as amended by Public Law 455, approved July 5, 1952 (66 Stat. 399), is further amended by changing "four positions in grade GS-18" to "five positions in grade GS-18", and "thirteen positions in grade GS-16" to "twelve positions in grade GS-16".

60 Stat. 810.

GENERAL SERVICES ADMINISTRATION

Public Buildings
Service.

Operating expenses, Public Buildings Service: For necessary expenses of real property management and related activities as provided by law; repair and improvement of public buildings and grounds (including furnishings and equipment) under the control of the General Services Administration; rental of buildings in the District of Columbia; restoration of leased premises; moving Government agencies in connection with the assignment, allocation, and transfer of building space; demolition of buildings; acquisition by purchase or otherwise and disposal by sale or otherwise of real estate and interests therein; and not to exceed \$182,000 for expenses of travel; \$95,960,000: *Provided*, That the foregoing appropriation shall not be available to effect the moving of Government agencies from the District of Columbia into buildings acquired to accomplish the dispersal of departmental functions of the executive establishment into areas outside of but accessible to the District of Columbia.

Dispersal of
departmental
functions.

Emergency operating expenses: For necessary emergency expenses of the General Services Administration not otherwise provided for, for operation, maintenance, protection, repair, alterations, and improvements of public buildings and grounds (including furnishings and equipment) to the extent that such buildings and grounds are under the control of the General Services Administration for such

purposes as are provided for in Public Law 152, Eighty-first Congress, as amended; rental of buildings or parts thereof in the District of Columbia and elsewhere, including repairs, alterations, and improvements necessary for proper use by the Government, without regard to section 322 of the Act of June 30, 1932, as amended (40 U. S. C. 278a); restoration of leased premises; moving Government agencies in connection with the assignment, allocation, and transfer of building space; and not to exceed \$24,300 for expenses of travel; \$15,647,000: *Provided*, That of this amount, such sums as may be determined by the General Services Administrator to be necessary may be paid into other appropriations of the General Services Administration only for purposes of accounting: *Provided further*, That no part of this appropriation shall be available to effect the moving of Government agencies from the District of Columbia to accomplish the dispersal of departmental functions.

63 Stat. 377.
40 USC 471 note.
47 Stat. 412.

Dispersal of
departmental
functions.

Repair, improvement, and equipment of federally owned buildings outside the District of Columbia: For expenses necessary for the repair, alteration, preservation, renovation, improvement, equipment, and demolition of federally owned buildings outside the District of Columbia, not otherwise provided for, including grounds, approaches and appurtenances, wharves and piers, together with the necessary dredging adjacent thereto; acquisition of land as authorized by title III of the Act of June 16, 1949 (40 U. S. C. 297); not to exceed \$100,000 for expenses of travel; and care and safeguarding of sites acquired for Federal buildings; \$12,000,000, to remain available until expended.

68 Stat. 280.
68 Stat. 281.
63 Stat. 198.
40 USC 297,
297a.

Buildings management fund: For additional working capital for the "Buildings management fund", authorized by the Act approved July 12, 1952 (66 Stat. 594), \$500,000, to remain available without fiscal year limitation.

Operating expenses, Federal Supply Service: For necessary expenses of personal property management and related activities as provided by law; including not to exceed \$300 for the purchase of newspapers and periodicals; and not to exceed \$40,600 for expenses of travel; \$2,600,000.

Federal Supply
Service.

Expenses, general supply fund: For expenses necessary for operation of the general supply fund (except those authorized by law to be charged to said fund), including contractual services incident to receiving, handling, and shipping warehouse items; not to exceed \$250 for purchase of newspapers and periodicals; and not to exceed \$93,100 for expenses of travel; \$12,066,800: *Provided*, That during the current fiscal year the general supply fund shall be available for the purchase of not to exceed twelve passenger motor vehicles for replacement only and for the acquisition of thirteen such vehicles from excesses reported by other agencies, or from forfeitures: *Provided further*, That funds available to the General Services Administration for the current fiscal year shall be available for the hire of passenger motor vehicles.

Operating expenses, National Archives and Records Service: For necessary expenses in connection with Federal records management and related activities as provided by law; and not to exceed \$30,750 for expenses of travel; \$5,000,000, of which \$100,000 shall remain available until expended for nitrate film conversion.

NARS.

Administrative operations: For necessary expenses of executive direction for activities under the control of the General Services Administration, of administrative operations for activities under regular appropriations for "Operating expenses", and of processing and determining renegotiation rebates; including not to exceed

\$63,600 for expenses of travel; and not to exceed \$250 for purchase of newspapers and periodicals; \$3,789,500.

65 Stat. 23.
50 USC app.
1231.

Refunds under Renegotiation Act: For refunds under section 201 (f) of the Renegotiation Act of 1951, the unobligated balance of the appropriations granted under this head for the fiscal years 1952, 1953, and 1954, shall remain available until June 30, 1956: *Provided*, That to the extent refunds are made from this appropriation of excessive profits collected under the Renegotiation Act and retained by the Reconstruction Finance Corporation, or its successors, or any of its subsidiaries, the Reconstruction Finance Corporation, or its successors, or the appropriate subsidiary shall reimburse this appropriation.

60 Stat. 810.

Strategic and critical materials: Funds available for this purpose during the current fiscal year shall be available for personal services (not to exceed \$7,000,000), services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), and not to exceed \$139,000 of such funds shall be available for expenses of travel: *Provided*, That any funds received as proceeds from sale or other disposition of materials on account of the rotation of stocks under said Act shall be deposited to the credit, and be available for expenditure for the purposes, of this appropriation: *Provided further*, That during the current fiscal year, there shall be no limitation on the value of surplus strategic and critical materials which, in accordance with subsection 6 (a) of the Act of July 23, 1946 (50 U. S. C. 98e (a)), may be transferred to stockpiles established in accordance with said Act: *Provided further*, That no part of funds available shall be used for construction of warehouses or tank storage facilities.

60 Stat. 598.

68 Stat. 281.
68 Stat. 282.

Strategic and critical materials (liquidation of contract authorization): For liquidation of obligations incurred pursuant to authority heretofore granted under this head, to enter into contracts for the purpose of the Strategic and Critical Materials Stock Piling Act of July 23, 1946, not to exceed \$27,600,000 may be expended from funds previously appropriated under the title "Strategic and critical materials": *Provided*, That this amount may be disbursed through the appropriation "Strategic and critical materials" but shall be accounted for separately therein.

60 Stat. 596.
50 USC 98 note.

62 Stat. 184.

Hospital facilities in the District of Columbia (liquidation of contract authorization): For payment of obligations incurred pursuant to authority provided under the head "Hospital Center, District of Columbia", in the Independent Offices Appropriation Act, 1949, to enter into contracts for construction, \$4,500,000, to remain available until expended: *Provided*, That this amount may be disbursed through the appropriation "Hospital facilities in the District of Columbia", but shall be accounted for separately therein.

The appropriate foregoing appropriation to the General Services Administration shall be credited with (1) advances or reimbursements for salaries and administrative expenses chargeable against other appropriations of the General Services Administration, and such salaries and expenses may be paid from such foregoing appropriation; (2) cost of maintenance, upkeep, and repair included as part of rentals received from Government corporations pursuant to law (40 U. S. C. 129); (3) reimbursements for services performed in respect to bonds and other obligations under the jurisdiction of the General Services Administration, issued by public authorities, States, or other public bodies, and such services in respect to such bonds or obligations as the Administrator deems necessary and in the public interest may, upon the request and at the expense of the issuing agencies, be provided from the appropriate foregoing appropriation; and (4) appropriations or funds available to other agencies, and transferred to the General Services Administration, in connection with

61 Stat. 584.

property transferred to the General Services Administration pursuant to the Act of July 2, 1948 (50 U. S. C. 451ff), and such appropriations or funds may, with the approval of the Bureau of the Budget, be so transferred. 62 Stat. 1225.
50 USC 451 note.

During the current fiscal year, no part of any money appropriated in this or any other Act shall be used during any quarter of such fiscal year to purchase within the continental limits of the United States typewriting machines (except bookkeeping and billing machines) at a price which exceeds 90 per centum of the lowest net cash price, plus applicable Federal excise taxes, accorded the most-favored customer (other than the Government, the American National Red Cross, and the purchasers of typewriting machines for educational purposes only) of the manufacturer of such machines during the six-month period immediately preceding such quarter: *Provided*, That the purchase, utilization, and disposal of typewriting machines shall be performed in accordance with the provisions of the Federal Property and Administrative Services Act of 1949, as amended. Typewriting machines.

63 Stat. 377.
40 USC 471
note.

HOUSING AND HOME FINANCE AGENCY

OFFICE OF THE ADMINISTRATOR

68 Stat. 282.
68 Stat. 283.

Salaries and expenses: For necessary expenses of the Office of the Administrator, including rent in the District of Columbia; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); not to exceed \$169,325 for expenses of travel; expenses of attendance at meetings of organizations concerned with the work of the agency; the salary of a special counsel, but not in addition to staff otherwise authorized, at the salary rate of grade GS-18 so long as such position is occupied by the initial incumbent thereof; and transportation expenses and not to exceed \$25 per diem in lieu of subsistence, as authorized by section 5 of the Act of August 2, 1946 (5 U. S. C. 73b-2), for persons serving without compensation as members of any advisory committee established pursuant to title VI of the Housing Act of 1949; \$2,868,500, including additional costs of establishing and operating a central staff for investigation and compliance functions for the Housing and Home Finance Agency, and the Administrator's general supervision and coordination responsibilities under Reorganization Plan Numbered 3 of 1947 shall hereafter carry full authority to assign and reassign functions, to reorganize and to make whatever changes, including the reallocation and transfer of administrative expense funds and authority where applicable, necessary to promote economy, efficiency and fidelity in the operations of the Housing and Home Finance Agency: *Provided*, That necessary expenses of inspections and of providing representatives at the site of projects being undertaken by local public agencies pursuant to title I of the Housing Act of 1949 and of projects financed through loans to educational institutions authorized by title IV of the Housing Act of 1950, shall be compensated by such agencies or institutions by the payment of fixed fees which in the aggregate will cover the costs of rendering such services, and expenses for such purpose shall be considered nonadministrative; and for the purpose of providing such inspections, the Administrator may utilize any agency and such agency may accept reimbursement or payment for such services from such institutions or the Administrator, and shall credit such amounts to the appropriations or funds against which such charges have been made, but such nonadministrative expenses shall not exceed \$500,000. 60 Stat. 810.
60 Stat. 808.
63 Stat. 439.
12 USC 1701h.
61 Stat. 954.
5 USC 133y-16
note.

63 Stat. 414.
42 USC 1451-
1460.
64 Stat. 77.
12 USC 1749-
1749c.

Capital grants for slum clearance and urban redevelopment: For an additional amount for payment of capital grants as authorized

63 Stat. 416,
417.
42 USC 1451-
1460.

by title I of the Housing Act of 1949, as amended (42 U. S. C. 1453, 1456), \$39,000,000, to remain available until expended: *Provided*, That before approving any local slum clearance program under title I of the Housing Act of 1949, the Administrator shall give consideration to the efforts of the locality to enforce local codes and regulations relating to adequate standards of health, sanitation, and safety for dwellings and to the feasibility of achieving slum clearance objectives through rehabilitation of existing dwellings and areas: *Provided further*, That the authority under title I of the National Housing Act shall be used to the utmost in connection with slum rehabilitation needs.

68 Stat. 283.
68 Stat. 284.

PUBLIC HOUSING ADMINISTRATION

Administrative expenses: For administrative expenses of the Public Housing Administration, \$6,950,000, to be merged with and expended under the authorization for such expenses contained in title II of this Act.

50 Stat. 891.

Annual contributions: For the payment of annual contributions to public housing agencies in accordance with section 10 of the United States Housing Act of 1937, as amended (42 U. S. C. 1410), \$63,950,000.

REDUCTION IN APPROPRIATIONS

Defense housing: The sum of \$4,500,000 of funds heretofore appropriated under this head is hereby rescinded, and such amount shall be covered into the Treasury promptly upon enactment of this Act: *Provided*, That the amount hereby rescinded may be reduced by an amount determined by the Administrator to be required as a reserve for overruns and contingencies in connection with projects heretofore assigned for construction pursuant to Public Law 139 (Eighty-second Congress).

65 Stat. 293.
42 USC 1591 note.

INDIAN CLAIMS COMMISSION

60 Stat. 1049.

Salaries and expenses: For expenses necessary to carry out the purposes of Act of August 13, 1946 (25 U. S. C. 70), creating an Indian Claims Commission, \$117,000, of which not to exceed \$3,560 shall be available for expenses of travel.

INTERSTATE COMMERCE COMMISSION

60 Stat. 810.

General expenses: For necessary expenses of the Interstate Commerce Commission not otherwise provided for, including not to exceed \$5,000 for employment of special counsel; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), at rates not to exceed \$50 per diem for individuals; newspapers (not to exceed \$200); purchase of not to exceed twenty passenger motor vehicles for replacement only; and not to exceed \$260,000 for expenses of travel; \$9,816,000, of which \$100,000 shall be available for valuations of pipelines and \$1,100,000 shall be available for the Section of Complaints, Bureau of Motor Carriers: *Provided*, That Joint Board members and cooperating State commissioners may use Government transportation requests when traveling in connection with their duties as such.

64 Stat. 798.
50 USC app. 2061.

Defense transport activities: For expenses necessary to enable the Commissioner of the Interstate Commerce Commission who has been delegated functions under the Defense Production Act of 1950, as amended, to carry out such functions, including expenses of attendance at meetings concerned with the purposes of this appropriation, \$170,000.

Railroad safety: For expenses necessary in performing functions authorized by law (45 U. S. C. 1-15, 17-21, 35-46, 61-64; 49 U. S. C. 26) to insure a maximum of safety in the operation of railroads, including authority to investigate, test experimentally, and report on the use and need of any appliances or systems intended to promote the safety of railway operation, including those pertaining to block-signal and train-control systems, as authorized by the joint resolution approved June 30, 1906, and the Sundry Civil Act of May 27, 1908 (45 U. S. C. 35-37), and to require carriers by railroad subject to the Act to install automatic train-stop or train-control devices as prescribed by the Commission (49 U. S. C. 26), including the employment of inspectors and engineers, and including not to exceed \$163,050 for expenses of travel, \$974,500. 68 Stat. 284.
68 Stat. 285.

Locomotive inspection: For expenses necessary in the enforcement of the Act of February 17, 1911, entitled "An Act to promote the safety of employees and travelers upon railroads by compelling common carriers engaged in interstate commerce to equip their locomotives with safe and suitable boilers and appurtenances thereto", as amended (45 U. S. C. 22-34), including not to exceed \$112,620 for expenses of travel, \$709,500. 34 Stat. 838.
35 Stat. 325.
41 Stat. 498.

INTERSTATE COMMISSION ON THE POTOMAC RIVER BASIN

Contribution to Interstate Commission on the Potomac River Basin: To enable the Secretary of the Treasury to pay in advance to the Interstate Commission on the Potomac River Basin the Federal contribution toward the expenses of the Commission during the current fiscal year in the administration of its business in the conservancy district established pursuant to the Act of July 11, 1940 (54 Stat. 748), \$5,000. 33 USC 567b.

NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

Salaries and expenses: For necessary expenses of the Committee, including one Director at not to exceed \$17,500 per annum so long as the position is held by the present incumbent; contracts for the making of special investigations and reports and for engineering, drafting and computing services; equipment; not to exceed \$310,000 for expenses of travel; maintenance and operation of aircraft; purchase of two passenger motor vehicles for replacement only; not to exceed \$100 for newspapers and periodicals; and services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); \$51,000,000, together with not to exceed \$1,000,000 of the unobligated balance of funds appropriated for this purpose in the "First Independent Offices Appropriation Act, 1954". 60 Stat. 810.
67 Stat. 309.

Construction and equipment: For construction and equipment at laboratories and research stations of the Committee, \$4,620,000, to remain available until expended.

NATIONAL CAPITAL HOUSING AUTHORITY

Maintenance and operation of properties: For the maintenance and operation of properties under title I of the District of Columbia Alley Dwelling Authority Act, \$43,000: *Provided*, That all receipts derived from sales, leases, or other sources shall be covered into the Treasury of the United States monthly: *Provided further*, That so long as funds are available from appropriations for the foregoing purposes, the provisions of section 507 of the Housing Act of 1950 (Public Law 475, Eighty-first Congress), shall not be effective. 52 Stat. 1186.
D. C. Code 5-103
to 5-111.
64 Stat. 81.

NATIONAL CAPITAL PLANNING COMMISSION

Salaries and expenses: For necessary expenses, as authorized by the National Capital Planning Act of 1952 (66 Stat. 781), including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); not to exceed \$100 for the purchase of newspapers and periodicals; not to exceed \$6,000 for expenses of travel; payment in advance for membership in societies whose publications or services are available to members only or to members at a price lower than to the general public; purchase of one passenger motor vehicle for replacement only; and transportation and not to exceed \$15 per diem in lieu of subsistence, as authorized by section 5 of the Act of August 2, 1946 (5 U. S. C. 73b-2), for members of the Commission serving without compensation; \$143,000.

Land acquisition, National Capital park, parkway, and playground system: Under authority of the Act of May 29, 1930 (46 Stat. 482), as amended, for necessary expenses for the National Capital Planning Commission for acquisition of land for the park, parkway, and playground system of the National Capital, to remain available until expended, \$545,000, of which (a) \$135,000 shall be available for the purposes of section 1 (a) of said Act of May 29, 1930, (b) \$126,000 shall be available for the purposes of section 1 (b) thereof, and (c) \$284,000 shall be available for the purposes of section 4 thereof: *Provided*, That not exceeding \$26,450 of the funds available for land acquisition purposes shall be used during the current fiscal year for necessary expenses of the Commission (other than payments for land) in connection with land acquisition.

NATIONAL SCIENCE FOUNDATION

Salaries and expenses: For expenses necessary to carry out the purposes of the National Science Foundation Act of 1950, as amended (42 U. S. C. 1861-1875), including award of graduate fellowships; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), at rates not to exceed \$50 per diem for individuals; hire of passenger motor vehicles; not to exceed \$89,500 for expenses of travel; not to exceed \$150 for the purchase of newspapers and periodicals; and reimbursement of the General Services Administration for security guard services; \$12,250,000, to remain available until expended.

RENEGOTIATION BOARD

Salaries and expenses: For necessary expenses of the Renegotiation Board, including expenses of attendance at meetings concerned with the purposes of this appropriation; hire of passenger motor vehicles; not to exceed \$108,000 for expenses of travel; and services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), at rates not to exceed \$50 per diem for individuals; \$4,500,000.

SECURITIES AND EXCHANGE COMMISSION

Salaries and expenses: For necessary expenses, including not to exceed \$500 for the purchase of newspapers; not to exceed \$125,000 for expenses of travel; and services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); \$4,750,000.

SELECTIVE SERVICE SYSTEM

Salaries and expenses: For expenses necessary for the operation and maintenance of the Selective Service System, as authorized by title I of the Universal Military Training and Service Act (62 Stat. 604), as amended, including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); not to exceed \$250 for the purchase of newspapers and periodicals; not to exceed \$75,000 for expenses of travel, National Administration, Planning, Training, and Records Management; not to exceed \$190,000 for expenses of travel, State Administration, Planning, Training, and Records Servicing; \$92,500 for the National Selective Service Appeal Board, of which not to exceed \$3,875 shall be available for expenses of travel; and \$205,000 for the National Advisory Committee on the Selection of Doctors, Dentists, and Allied Specialists, of which not to exceed \$30,000 shall be available for expenses of travel; \$29,003,063: *Provided*, That during the current fiscal year, the President may exempt this appropriation from the provisions of subsection (c) of section 3679 of the Revised Statutes, as amended, whenever he deems such action to be necessary in the interest of national defense.

65 Stat. 75.
50 USC app. 451-471.
60 Stat. 810.

31 USC 665.

Appropriations for the Selective Service System may be used for the destruction of records accumulated under the Selective Training and Service Act of 1940, as amended, which are hereby authorized to be destroyed by the Director of Selective Service after compliance with the procedures for the destruction of records prescribed pursuant to the Records Disposal Act of 1943, as amended (44 U. S. C. 366-380): *Provided*, That no records may be transferred to any other agency without the approval of the Director of Selective Service.

Destruction of records.
54 Stat. 885.
50 USC app. 318.
57 Stat. 380.

SMALL BUSINESS ADMINISTRATION

Salaries and expenses: For necessary expenses, not otherwise provided for, of the Small Business Administration, including newspapers and periodicals (not exceeding \$500), expenses of attendance at meetings concerned with the purposes of this appropriation and hire of passenger motor vehicles, \$2,025,000, together with not to exceed \$100,000 of the unobligated balance of funds appropriated for this purpose in the Supplemental Appropriation Act, 1954; and in addition, not to exceed \$2,350,000 may be transferred to this appropriation from the Revolving Fund, Small Business Administration, for administrative expenses in connection with activities financed under said Fund.

67 Stat. 427.

REVOLVING FUND, SMALL BUSINESS ADMINISTRATION

For additional capital for the Revolving Fund authorized by the Small Business Act of 1953, to be available without fiscal year limitation, \$25,000,000.

67 Stat. 232.
15 USC 631 note.

REVOLVING FUND, SMALL DEFENSE PLANTS ADMINISTRATION

The Revolving Fund authorized by paragraph (2) of subsection (a) of section 714 of the Defense Production Act of 1950, as amended, shall remain available during the fiscal year 1955 for payment of obligations and direct costs under contracts entered into during the fiscal year 1953.

65 Stat. 139.
50 USC app. 2163a.

SMITHSONIAN INSTITUTION

Salaries and expenses, Smithsonian Institution: For all necessary expenses for the preservation, exhibition, and increase of collections from the surveying and exploring expeditions of the Government and from other sources; for the system of international exchanges between the United States and foreign countries; for anthropological researches among the American Indians and the natives of land under the jurisdiction or protection of the United States, independently or in cooperation with State, educational, and scientific organizations in the United States, and the excavation and preservation of archeological remains; for maintenance of the Astrophysical Observatory and making necessary observations in high altitudes; for the administration of the National Collection of Fine Arts; for the administration, construction, and maintenance of laboratory and other facilities on Barro Colorado Island, Canal Zone, under the provisions of the Act of July 2, 1940, as amended by the provisions of Reorganization Plan Numbered 3 of 1946; for the maintenance and administration of a national air museum as authorized by the Act of August 12, 1946 (20 U. S. C. 77); including not to exceed \$35,000 for services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); not to exceed \$15,225 for expenses of travel; purchase, repair, and cleaning of uniforms for guards and elevator conductors; repairs and alterations of buildings and approaches; and preparation of manuscripts, drawings, and illustrations for publications; \$3,000,000.

Salaries and expenses, National Gallery of Art: For the upkeep and operation of the National Gallery of Art, the protection and care of the works of art therein, and administrative expenses incident thereto, as authorized by the Act of March 24, 1937 (50 Stat. 51), as amended by the public resolution of April 13, 1939 (Public Resolution 9, Seventy-sixth Congress), including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); payment in advance when authorized by the treasurer of the Gallery for membership in library, museum, and art associations or societies whose publications or services are available to members only, or to members at a price lower than to the general public; purchase, repair, and cleaning of uniforms for guards and elevator operators; purchase or rental of devices and services for protecting buildings and contents thereof, and maintenance and repair of buildings, approaches, and grounds; purchase of one passenger motor vehicle, for replacement only; not to exceed \$1,800 for expenses of travel; and not to exceed \$15,000 for restoration and repair of works of art for the National Gallery of Art by contracts made, without advertising, with individuals, firms, or organizations at such rates or prices and under such terms and conditions as the Gallery may deem proper; \$1,300,000.

SUBVERSIVE ACTIVITIES CONTROL BOARD

Salaries and expenses: For necessary expenses of the Subversive Activities Control Board, including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), not to exceed \$12,500 for expenses of travel, and not to exceed \$100 for the purchase of newspapers and periodicals, \$170,000, together with not to exceed \$115,000 of the unobligated balance of funds appropriated for this purpose in the "First Independent Offices Appropriation Act, 1954" and "The Supplemental Appropriation Act, 1954".

54 Stat. 724.
 49 USC 1381-1387.
 60 Stat. 1101.
 5 USC 133y-16 note.
 60 Stat. 997.
 60 Stat. 810.

53 Stat. 577.
 20 USC 74.
 60 Stat. 810.

60 Stat. 810.

67 Stat. 311,
 428.

TARIFF COMMISSION

Salaries and expenses: For necessary expenses of the Tariff Commission, including subscriptions to newspapers (not to exceed \$200), not to exceed \$13,500 for expenses of travel, and contract stenographic reporting services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), \$1,327,000: *Provided*, That no part of this appropriation shall be used to pay the salary of any member of the Tariff Commission who shall hereafter participate in any proceedings under sections 336, 337, and 338 of the Tariff Act of 1930, wherein he or any member of his family has any special, direct, and pecuniary interest, or in which he has acted as attorney or special representative: *Provided further*, That no part of the foregoing appropriation shall be used for making any special study, investigation or report at the request of any other agency of the executive branch of the government unless reimbursement is made for the cost thereof.

60 Stat. 810.

46 Stat. 701.

19 USC 1336-1338.

TENNESSEE VALLEY AUTHORITY

For the purpose of carrying out the provisions of the Tennessee Valley Authority Act of 1933, as amended (16 U. S. C., ch. 12A), including purchase (not to exceed one) and hire, maintenance, and operation of aircraft, and purchase (not to exceed one hundred and fifty for replacement only) and hire of passenger motor vehicles, \$120,000,000, to remain available until expended, and to be available for the payment of obligations chargeable against prior appropriations: *Provided*, That no funds appropriated for the Tennessee Valley Authority by this paragraph shall be used for the maintenance or operation of any aircraft for passenger service that is not specifically confined to the active operation of the official business of the Tennessee Valley Authority by officers or employees of such Authority, and not to exceed \$673,000 (exclusive of travel for work in connection with the construction of transmission lines, dams, and steam plants) of funds available to the Tennessee Valley Authority shall be used for expenses of travel: *Provided further*, That no part of funds available for expenditure by this agency shall be used, directly or indirectly, to acquire a building for use as an administrative office of the Tennessee Valley Authority unless and until the Director of the Bureau of the Budget, following a study of the advisability of the proposed acquisition, shall advise the Committees on Appropriations of the Senate and the House of Representatives and the Tennessee Valley Authority that the acquisition has his approval: *Provided further*, That there shall be available for resource development activities pursuant to the Tennessee Valley Authority Act of 1933, as amended, not to exceed \$1,000,000, of which \$400,000 shall be derived from this appropriation and \$600,000 shall be derived from proceeds of operations of the Tennessee Valley Authority.

Restrictions.

THE TAX COURT OF THE UNITED STATES

Salaries and expenses: For necessary expenses, including contract stenographic reporting services and not to exceed \$45,000 for travel expenses, \$1,000,000: *Provided*, That travel expenses of the judges shall be paid upon the written certificate of the judge.

VETERANS ADMINISTRATION

General operating expenses: For necessary operating expenses of the Veterans Administration, not otherwise provided for, including expenses incidental to securing employment for war veterans; purchase of fifteen passenger motor vehicles for replacement only; not to exceed \$6,000 for newspapers and periodicals; not to exceed \$2,800,000 for expenses of travel of employees; and not to exceed \$43,700 for preparation, shipment, installation, and display of exhibits, photographic displays, moving pictures, and other visual educational information and descriptive material, including purchase or rental of equipment; \$167,672,300: *Provided*, That no part of this appropriation shall be used to pay in excess of twenty persons engaged in public relations work: *Provided further*, That no part of any appropriation shall be used to pay educational institutions for reports and certifications of attendance at such institutions an allowance at a rate in excess of \$1 per month for each eligible veteran enrolled in and attending such institution.

Public relations work.

Educational attendance reports.

Medical administration and miscellaneous operating expenses: For expenses necessary for administration of the medical, hospital, domiciliary, special service, construction and supply, research, and employee education and training activities; expenses necessary for carrying out programs of medical research and of education and training of employees, as authorized by law: and not to exceed \$834,388 for expenses of travel of employees paid from this appropriation; \$14,654,000.

Inpatient care: For expenses necessary for the maintenance and operation of hospitals and domiciliary facilities and for the care and treatment of beneficiaries of the Veterans Administration in facilities not under the jurisdiction of the Veterans Administration as authorized by law, including the furnishing of recreational articles and facilities; maintenance and operation of farms; repairing, altering, improving or providing facilities in the several hospitals and homes under the jurisdiction of the Veterans Administration, not otherwise provided for, either by contract, or by the hire of temporary employees and purchase of materials; purchase of sixty passenger motor vehicles for replacement only; not to exceed \$315,000 for expenses of travel of employees; and aid to State or Territorial homes in conformity with the Act approved August 27, 1888, as amended (24 U. S. C. 134) for the support of veterans eligible for admission to Veterans Administration facilities for hospital or domiciliary care; \$598,127,000, including the sum of \$7,134,500 for reimbursable service performed for other Government agencies and individuals: *Provided*, That allotments and transfers may be made from this appropriation to the Department of Health, Education, and Welfare (Public Health Service), the Army, Navy, Air Force, and Interior Departments, for disbursement by them under the various headings of their applicable appropriations, of such amounts as are necessary for the care and treatment of beneficiaries of the Veterans Administration: *Provided further*, That the foregoing appropriation is predicated on furnishing inpatient care and treatment to an average of 127,000 beneficiaries during the fiscal year 1955, excluding members in State or Territorial homes, and if a lesser number is experienced such appropriation shall be expended only in proportion to the average number of beneficiaries furnished such care and treatment.

25 Stat. 450.

Transfer of funds.

Outpatient care: For expenses necessary for furnishing outpatient care to beneficiaries of the Veterans Administration, as authorized by law, including not to exceed \$178,000 for expenses of travel of employees; \$82,134,000, of which not exceeding \$11,200,000 shall be

Dental services.

available for outpatient fee basis dental care: *Provided*, That no part of this appropriation shall be available for outpatient dental services and treatment, or related dental appliances with respect to a service-connected dental disability which is not compensable in degree unless such condition or disability is shown to have been in existence at time of discharge and application for treatment is made within one year after discharge or by December 31, 1954, whichever is later: *Provided further*, That this limitation shall not apply to adjunct outpatient dental services or appliances for any dental condition associated with and held to be aggravating disability from such other service-incurred or service-aggravated injury or disease. Limitation.

Maintenance and operation of supply depots: For expenses necessary for maintenance and operation of supply depots, including not to exceed \$4,400 for expenses of travel of employees, and purchase of two passenger motor vehicles for replacement only, \$1,654,000.

Compensation and pensions: For the payment of compensation, pensions, gratuities, and allowances (including burial awards authorized by Veterans Administration Regulation Numbered 9 (a), as amended, and subsistence allowances authorized by part VII of Veterans Regulation 1a, as amended), authorized under any Act of Congress, or regulation of the President based thereon, including emergency officers' retirement pay and annuities, the administration of which is now or may hereafter be placed in the Veterans Administration, and for the payment of adjusted-service credits as provided in sections 401 and 601 of the Act of May 19, 1924, as amended (38 U. S. C. 631 and 661), \$2,435,000,000, to be immediately available and to remain available until expended. 38 USC oh. 12A.
43 Stat. 125.

Readjustment benefits: For the payment of benefits to or on behalf of veterans as authorized by titles II, III, and V, of the Servicemen's Readjustment Act of 1944, as amended, and title II of the Veterans Readjustment Assistance Act of 1952, and for supplies, equipment, and tuition authorized by part VII and payments authorized by part IX of Veterans Administration Regulation Numbered 1 (a), as amended, \$387,000,000, together with the unexpended balance as of June 30, 1954, remaining in the appropriation for "Veterans miscellaneous benefits" to be immediately available and to remain available until expended: *Provided*, That no part of any appropriation to the Veterans Administration shall be available, in connection with any loan authorized by title III of the Servicemen's Readjustment Act of 1944, as amended (38 U. S. C. 694-694n), for payment to the lender by the Administrator of Veterans Affairs, or for credit on the loan, an amount equivalent to 4 per centum of the amount originally loaned, guaranteed or insured by the Veterans Administration: *Provided further*, That no right to any such payment shall accrue after September 1, 1953, but the foregoing proviso shall not apply with respect to payments based on guarantees made, or certificates of commitments issued, prior to said date or commitments for loans made by the Veterans Administration. 58 Stat. 287.
38 USC 701, 694-694n, ch. 12A.
66 Stat. 663.
38 USC 911-984.
38 USC oh. 12A.
59 Stat. 626.

Military and naval insurance: For military and naval insurance, \$4,932,000, to remain available until expended. Time limitation.

Hospital and domiciliary facilities: For hospital and domiciliary facilities, for planning and for extending, with the approval of the President, any of the facilities under the jurisdiction of the Veterans Administration or for any of the purposes set forth in sections 1 and 2 of the Act approved March 4, 1931 (38 U. S. C. 438j-k) or in section 101 of the Servicemen's Readjustment Act of 1944 (38 U. S. C. 693a), to remain available until expended, \$47,000,000: *Provided*, That notwithstanding any other provisions of existing law the Veterans Administration is authorized to advance not to exceed \$2,000,000 from 46 Stat. 1550.
58 Stat. 284.

All 68 Stat. 292.

construction funds previously appropriated, to the city of Cleveland, Ohio, for the construction or extension of necessary water facilities to the site of the proposed Veterans Administration hospital, this amount to be repaid by the city of Cleveland in cash or water over a period of years as determined by the Veterans Administration and the city of Cleveland.

54 Stat. 1008.
38 USC 818.

National service life insurance: For the payment of benefits and for transfer to the national service life insurance fund, in accordance with the National Service Life Insurance Act of 1940, as amended, \$30,570,000, to remain available until expended: *Provided*, That certain premiums shall be credited to this appropriation as provided by the Act.

65 Stat. 33.
38 USC 851 note.

Servicemen's indemnities: For payment of liabilities under the Servicemen's Indemnity Act of 1951, \$30,000,000, to remain available until expended.

62 Stat. 1210.

Grants to the Republic of the Philippines: For payment to the Republic of the Philippines of grants in accordance with the Act of July 1, 1948 (50 U. S. C. App. 1991-1996), for expenses incident to medical care and treatment of veterans, \$1,564,000.

Major alterations, improvements, and repairs: For all necessary expenses of major alterations, improvements, and repairs to regional offices, supply depots, and hospital and domiciliary facilities, \$3,480,000, to remain available until expended: *Provided*, That no part of the foregoing appropriation shall be used to commence any major alteration, improvement, or repair unless funds are available for the completion of such work; and no funds shall be used for such work at any facility if the Veterans Administration is reasonably certain that the installation will be abandoned in the near future.

Not to exceed 5 per centum of any appropriation for the current fiscal year for "Compensation and pensions", "Readjustment benefits", "Military and naval insurance", "National service life insurance", and "Servicemen's indemnities", may be transferred, to any other of the mentioned appropriations, but not to exceed 10 per centum of the appropriation so augmented.

60 Stat. 810.

Appropriations available to the Veterans Administration for the current fiscal year for salaries and expenses shall be available for services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a).

38 USC ch. 12A.

Appropriations available to the Veterans Administration for the current fiscal year for "Inpatient care" and "Outpatient care" shall be available for funeral, burial, and other expenses incidental thereto (except burial awards authorized by Veterans Administration Regulation Numbered 9 (a), as amended), for beneficiaries of the Veterans Administration receiving care under such appropriations.

No part of the appropriations in this Act for the Veterans Administration (except the appropriation for "Hospital and domiciliary facilities") shall be available for the purchase of any site for or toward the construction of any new hospital or home.

No part of the foregoing appropriations shall be available for hospitalization or examination of any persons except beneficiaries entitled under the laws bestowing such benefits to veterans, unless reimbursement of cost is made to the appropriation at such rates as may be fixed by the Administrator of Veterans Affairs.

REDUCTIONS IN APPROPRIATIONS

The appropriation heretofore granted for "Soldiers' and sailors' civil relief" is hereby reduced by the sum of \$500,000, and said amount shall be carried to the surplus of the Treasury.

The appropriations heretofore granted for "Vocational rehabilitation revolving fund (Act of Mar. 24, 1943)", are hereby reduced by 57 Stat. 43. the sum of \$400,000, and said amount shall be carried to the surplus 38 USC ch. 12A. of the Treasury.

WAR CLAIMS COMMISSION

PAYMENT OF CLAIMS

For payment of claims, as authorized by the War Claims Act of 1948, as amended, from funds deposited in the Treasury to the credit 62 Stat. 1240. of the war claims fund created by section 13 (a) of said Act, such 50 USC app. 2001. sums as may be necessary, to be available to the Secretary of the note. Treasury for payment of claims under sections 4 (a), 4 (b) (2), 5 (a) through (e), 6, and 7 of said Act to the payees named and in the amounts stated in certifications by the War Claims Commission and the Secretary of Labor or their duly authorized representatives, which certifications shall be in lieu of any vouchers which might otherwise be required: *Provided*, That this appropriation shall not be available for administrative expenses: *Provided further*, That no claims shall be allowed or paid under the provisions of said War Claims Act of 1948 from any funds other than those covered into the Treasury pursuant to the provisions of section 39 of the Trading With the Enemy 62 Stat. 1246. Act of October 6, 1917, as amended, as provided by section 13 (a) 50 USC app. 39. of said War Claims Act of 1948. 50 USC app. 2012.

ADMINISTRATIVE EXPENSES

For expenses necessary to complete the activities of the War Claims Commission, including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); expenses of attendance at 60 Stat. 810. meetings concerned with the purposes of this appropriation; not to exceed \$4,000 for expenses of travel; and advances or reimbursements to other Government agencies for use of their facilities and services in carrying out the functions of the Commission; \$515,000, to be derived only from the war claims fund created by section 13 (a) of the War Claims Act of 1948 (Public Law 896, approved July 3, 1948) 50 USC app. 2012. and not to be available for obligation after March 31, 1955.

INDEPENDENT OFFICES—GENERAL PROVISIONS

SEC. 102. Where appropriations in this title are expendable for Travel ex- penses. lavel expenses of employees and no specific limitation has been placed thereon, the expenditures for such travel expenses may not exceed the amount set forth therefor in the budget estimates submitted for the appropriations: *Provided*, That this section shall not apply to travel performed by uncompensated officials of local boards and appeal boards of the Selective Service System.

SEC. 103. Where appropriations in this title are expendable for Newspaper and the purchase of newspapers and periodicals and no specific limitation periodical pur- has been placed thereon, the expenditures therefor under each such chases. appropriation may not exceed the amount of \$50: *Provided*, That this limitation shall not apply to the purchase of scientific, technical, trade, or traffic periodicals necessary in connection with the performance of the authorized functions of the agencies for which funds are herein provided.

SEC. 104. No part of any appropriation contained in this title shall Positions form- be available to pay the salary of any person filling a position, other erly held by per- than a temporary position, formerly held by an employee who has sons entering left to enter the Armed Forces of the United States and has satis- Armed Forces.

factorily completed his period of active military or naval service and has within ninety days after his release from such service or from hospitalization continuing after discharge for a period of not more than one year made application for restoration to his former position and has been certified by the Civil Service Commission as still qualified to perform the duties of his former position and has not been restored thereto.

Attendance at
meetings.

SEC. 105. Appropriations contained in this title, available for expenses of travel shall be available, when specifically authorized by the head of the activity or establishment concerned, for expenses of attendance at meetings of organizations concerned with the function or activity for which the appropriation concerned is made.

Real estate
sales, etc.

SEC. 106. No part of any appropriations made available by the provisions of this title shall be used for the purchase or sale of real estate or for the purpose of establishing new offices outside the District of Columbia: *Provided*, That this limitation shall not apply to programs which have been approved by the Congress and appropriations made therefor.

Personnel work.

SEC. 107. No part of any appropriation contained in this title shall be used to pay the compensation of any employee engaged in personnel work in excess of the number that would be provided by a ratio of one such employee to one hundred and thirty-five, or a part thereof, full-time, part-time, and intermittent employees of the agency concerned: *Provided*, That for purposes of this section employees shall be considered as engaged in personnel work if they spend half time or more in personnel administration consisting of direction and administration of the personnel program; employment, placement, and separation; job evaluation and classification; employee relations and services; training; wage administration; and processing, recording, and reporting.

Nonapplicability.

SEC. 108. None of the sections under the head "Independent Offices, General Provisions" in this title shall apply to the Housing and Home Finance Agency or the Tennessee Valley Authority.

TITLE II—CORPORATIONS

The following corporations and agencies, respectively, are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the Budget for the fiscal year 1955 for each such corporation or agency, except as hereinafter provided:

61 Stat. 584.
31 USC 849.

HOUSING AND HOME FINANCE AGENCY

Federal National Mortgage Association: Not to exceed \$3,238,000 shall be available for administrative expenses, which shall be on an accrual basis, and shall be exclusive of interest paid, depreciation, properly capitalized expenditures, fees for servicing mortgages, expenses (including services performed on a force account, contract, or fee basis, but not including other personal services) in connection with the acquisition, protection, operation, maintenance, improvement, or disposition of real or personal property belonging to said Association or in which it has an interest, cost of salaries, wages, travel, and other expenses of persons employed outside of the continental United States, expenses of services performed on a contract or fee basis in

connection with the performance of legal services, and all administrative expenses reimbursable from other Government agencies; and said Association may utilize and may make payment for services and facilities of the Federal Reserve banks and other agencies of the Government: *Provided*, That the distribution of administrative expenses to the accounts of the Association shall be made in accordance with generally recognized accounting principles and practices: *Provided further*, That not to exceed \$87,750 shall be available for expenses of travel: *Provided further*, That administrative expenses not under limitation for the purposes set forth in the budget schedules for the fiscal year 1955 shall not exceed \$150,000.

Office of the Administrator, housing loans to educational institutions: Not to exceed \$375,000 shall be available for all administrative expenses, which shall be on an accrual basis, of carrying out the functions of the Office of the Administrator under the program of housing loans to educational institutions (title IV of the Housing Act of 1950, 12 U. S. C. 1749-1749d), but this amount shall be exclusive of payment for services and facilities of the Federal Reserve banks or any member thereof, the Federal home-loan banks, and any insured bank within meaning of the Act creating the Federal Deposit Insurance Corporation (Act of August 23, 1935, as amended, 12 U. S. C. 264) which has been designated by the Secretary of the Treasury as a depository of public money of the United States: *Provided*, That not to exceed \$19,000 shall be available for expenses of travel.

Office of the Administrator, revolving fund (liquidating programs): There is established as of June 30, 1954, a revolving fund, and the Administrator is authorized to credit said fund with all moneys hereafter obtained or now held by him or by any constituent agency of the Housing and Home Finance Agency or any other official thereof, and to account under said fund for all assets and liabilities, in connection with (1) community facilities provided or assisted under title II of the Lanham Act, as amended (42 U. S. C. 1531-1534), or under title III of the Defense Housing and Community Facilities and Services Act of 1951, as amended (42 U. S. C. 1592-1592n); (2) loans or advances made pursuant to title V of the War Mobilization and Reconversion Act of 1944 (58 Stat. 791), or the Act of October 13, 1949 (40 U. S. C. 451-458); (3) functions transferred under Reorganization Plan No. 23 of 1950 (5 U. S. C. 133z-15, note), or authorized under sections 102, 102a, 102b, and 102c of the Housing Act of 1948, as amended (12 U. S. C. 1701g-1701g-3); (4) notes or other obligations purchased pursuant to the Alaska Housing Act, as amended (3 U. S. C. 484 (a)); (5) subsistence homesteads and greentowns, Acts of June 29, 1936, 49 Stat. 2035, and May 19, 1949, 63 Stat. 68); (6) public war housing under title I of the Lanham Act, as amended (42 U. S. C. 1521-1524), and defense housing under title III of the Defense Housing and Community Facilities and Services Act of 1951, as amended (42 U. S. C. 1592-1592n); and (7) veterans' re-use housing under title V of the Lanham Act, as amended (42 U. S. C. 1571-1575): *Provided*, That said fund shall be available for all necessary expenses (including administrative expenses) in connection with the liquidation of the programs carried out pursuant to the foregoing provisions of law, including operation, maintenance, improvement, or disposition of facilities, and for disbursements pursuant to outstanding commitments against moneys herein authorized to be credited to said fund, repayment of obligations to the Treasury, and refinancing and refunding operations on existing loans: *Provided further*, That any amount in said fund which is determined to be in excess of requirements for the purposes hereof shall be declared and paid as liquidating dividends to the Treasury not less often than annually: *Provided further*, That

64 Stat. 873.
12 USC 1811-
1831.

63 Stat. 59.

64 Stat. 1279.
5 USC 133z-15
note.

47 Stat. 725.

during the current fiscal year not to exceed \$3,940,000 shall be available for administrative expenses (including not to exceed \$265,000 for travel) for the foregoing purposes, but this amount shall be exclusive of costs of services performed on a contract or fee basis in connection with termination of contracts and legal services on a contract or fee basis and of payment for services and facilities of the Federal Reserve banks or any member thereof, any servicer approved by the Federal National Mortgage Association, the Federal home-loan banks, and any insured bank within the meaning of the Act of August 23, 1935, as amended, creating the Federal Deposit Insurance Corporation (12 U. S. C. 264) which has been designated by the Secretary of the Treasury as a depository of public money of the United States: *Provided further*, That after the effective date of this Act no additional notes or obligations shall be purchased from funds appropriated pursuant to the Alaska Housing Act, as amended (48 U. S. C. 484 (d)), except for the furtherance or refinancing of an existing loan: *Provided further*, That except for extensions, or refinancing, of existing obligations the authority to issue obligations to the Secretary of the Treasury under section 1 (4) of Reorganization Plan No. 23 of 1950 (5 U. S. C. 1332-15, note), shall terminate on June 30, 1954: *Provided further*, That all expenses, not otherwise specifically limited in this Act, in connection with the programs administered pursuant to the foregoing provisions of law shall not exceed \$20,000,000.

Home Loan Bank Board: Not to exceed a total of \$775,000 shall be available for administrative expenses of the Home Loan Bank Board, and shall be derived from funds available to the Home Loan Bank Board, including those in the Home Loan Bank Board revolving fund and receipts of the Federal Home Loan Bank Administration, the Federal Home Loan Bank Board, or the Home Loan Bank Board for the current fiscal year and prior fiscal years, and the Board may utilize and may make payment for services and facilities of the Federal home-loan banks, the Federal Reserve banks, the Federal Savings and Loan Insurance Corporation, and other agencies of the Government: *Provided*, That all necessary expenses in connection with the conservatorship of institutions insured by the Federal Savings and Loan Insurance Corporation and all necessary expenses (including services performed on a contract or fee basis, but not including other personal services) in connection with the handling, including the purchase, sale, and exchange, of securities on behalf of Federal home-loan banks, and the sale, issuance, and retirement of, or payment of interest on, debentures or bonds, under the Federal Home Loan Bank Act, as amended, shall be considered as nonadministrative expenses for the purposes hereof: *Provided further*, That not to exceed \$35,000 shall be available for expenses of travel: *Provided further*, That notwithstanding any other provisions of this Act, except for the limitation in amount hereinbefore specified, the administrative expenses and other obligations of the Board shall be incurred, allowed, and paid in accordance with the provisions of the Federal Home Loan Bank Act of July 22, 1932, as amended (12 U. S. C. 1421-1449): *Provided further*, That the non-administrative expenses for the examination of Federal and State chartered institutions shall not exceed \$2,395,000.

Federal Savings and Loan Insurance Corporation: Not to exceed \$455,000 shall be available for administrative expenses, which shall be on an accrual basis and shall be exclusive of interest paid, depreciation, properly capitalized expenditures, expenses in connection with liquidation of insured institutions, liquidation or handling of assets of or derived from insured institutions, payment of insurance, and action for or toward the avoidance, termination, or minimizing of losses in the case of insured institutions, legal fees and expenses,

and payments for administrative expenses of the Home Loan Bank Board determined by said Board to be properly allocable to said Corporation, and said Corporation may utilize and may make payment for services and facilities of the Federal home-loan banks, the Federal Reserve banks, the Home Loan Bank Board, and other agencies of the Government: *Provided*, That not to exceed \$6,500 shall be available for expenses of travel: *Provided further*, That notwithstanding any other provisions of this Act, except for the limitation in amount hereinbefore specified, the administrative expenses and other obligations of said Corporation shall be incurred, allowed and paid in accordance with title IV of the Act of June 27, 1934, as amended (12 U. S. C. 1724-1730).

48 Stat. 1255.

Federal Housing Administration: In addition to the amounts available by or pursuant to law (which shall be transferred to this authorization) for the administrative expenses in carrying out duties imposed by or pursuant to law, not to exceed \$5,150,000 of the various funds of the Federal Housing Administration shall be available for expenditure, in accordance with the National Housing Act, as amended (12 U. S. C. 1701): *Provided*, That, except as herein otherwise

48 Stat. 1246.

Provided, all expenses and obligations of said Administration shall be incurred, allowed, and paid in accordance with the provisions of said Act: *Provided further*, That not to exceed \$175,000 shall be available for expenses of travel: *Provided further*, That funds available for expenditure shall be available for contract actuarial services (not to exceed \$1,500): and purchase of periodicals and newspapers (not to exceed \$500): *Provided further*, That expenditures for non-administrative expenses classified by section 2 of Public Law 387, approved October 25, 1949, shall not exceed \$25,000,000.

63 Stat. 905.

12 USC 1702.

Public Housing Administration: Of the amounts available by law for the administrative expenses of the Public Housing Administration in carrying out duties imposed by law including funds appropriated by title I of this Act not to exceed \$6,950,000, shall be available for such expenses, including not to exceed \$500,000 for expenses of travel; and expenses of attendance at meetings of organizations concerned with the work of the Administration: *Provided*, That necessary expenses of providing representatives of the Administration at the sites of non-Federal projects in connection with the construction of such non-Federal projects by public housing agencies with the aid of the Administration, shall be compensated by such agencies by the payment of fixed fees which in the aggregate in relation to the development costs of such projects will cover the costs of rendering such services, and expenditures by the Administration for such purpose shall be considered nonadministrative expenses, and funds received from such payments may be used only for the payment of necessary expenses of providing representatives of the Administration at the sites of non-Federal projects: *Provided further*, That all expenses of the Public Housing Administration not specifically limited in this Act, in carrying out its duties imposed by law, shall not exceed \$1,530,000: *Provided further*, That during the fiscal year 1955 the Commissioner shall continue to make every effort to refund all local bonds held by the Public Housing Administration under the United States Housing Act of 1937, as amended.

50 Stat. 888.

42 USC 1430.

CORPORATIONS—GENERAL PROVISIONS

SEC. 202. No part of the funds of, or available for expenditure by, any corporation or agency included in this title shall be used to pay the compensation of any employee engaged in personnel work in excess of the number that would be provided by a ratio of one such

Personnel work.

All 68 Stat. 298.

employee to one hundred and thirty-five, or a part thereof, full-time, part-time, and intermittent employees of the agency concerned: *Provided*, That for purposes of this section employees shall be considered as engaged in personnel work if they spend half-time or more in personnel administration consisting of direction and administration of the personnel program; employment, placement, and separation; job evaluation and classification; employee relations and services; training; committees of expert examiners and boards of civil-service examiners; wage administration; and processing, recording, and reporting.

TITLE III—GENERAL PROVISIONS

Strikes or overthrow of U. S. Government.

SEC. 301. No part of any appropriation contained in this Act, or of the funds available for expenditure by any corporation included in this Act, shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation or fund contained in this Act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

Affidavit.

Penalty.

Publicity or propaganda.

SEC. 302. No part of any appropriation contained in this Act, or of the funds available for expenditure by any corporation or agency included in this Act, shall be used for publicity or propaganda purposes designed to support or defeat legislation pending before the Congress.

Short title.

SEC. 303. This Act may be cited as the "Independent Offices Appropriation Act, 1955."

Approved June 24, 1954.

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